

BUT IT IS INTERESTING TO NOTE THAT FRENCH NEWSPAPERS YESTERDAY PRINTED A SUGGESTION FOR A COMBINED BRITISH-FRENCH-POLISH WARNING THAT THE SEIZURE OF DANZIG WOULD MEAN WAR. THIS IS BECAUSE MANY GERMANS DON'T BELIEVE FRANCE AND ENGLAND MEAN TO INCLUDE DANZIG IN THE PLEDGE.

APART FROM THIS THERE IS WIDESPREAD SPECULATION AS TO JUST HOW BRITAIN AND FRANCE WOULD PROCEED IN GOING TO POLAND'S AID. THAT IS A POINT OF VITAL INTEREST TO NAZIDOM.

IT IS ARGUED IN BERLIN THAT THE FRENCH AND BRITISH ARE UP AGAINST A PROPOSITION SO TOUGH THAT THEY WON'T BE INCLINED TO UNDERTAKE IT MERELY TO KEEP DANZIG FROM REJOINING THE REICH.

THAT ISN'T QUITE THE WHOLE STORY, HOWEVER. THE ANGLO-FRENCH COMBINATION MIGHT DECIDE TO ACCEPT THE SEIZURE OF DANZIG AS THE GAGE FOR A SETTLEMENT OF THE ENTIRE CONFLICT BETWEEN THEM AND THE BERLIN-ROME AXIS.

IT IS EQUALLY POSSIBLE THAT GERMANY MIGHT BY THE SAME TOKEN CHOOSE TO USE DANZIG FOR A SIMILAR BROAD SETTLEMENT.

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Britain and France Warn Hitler Again, Beg People Of Germany to Veto War

Bonnet Cautions Reich's Envoy Not to Strike Spark at Danzig

Says France Will Back Poland in Any German Aggression; Gamelin Calls Off Corsica Tour; Putsch Reported Postponed for Month

By The Associated Press
PARIS, July 1.—Sources close to the French Foreign Ministry said tonight that France had told Germany flatly that she would support Poland in case of any aggression against France's eastern European ally. The French warning was given to the German Ambassador at Paris, Count von Welczeck, today by Foreign Minister Georges Bonnet during a surprise interview at the Foreign Ministry, these sources said.

Premier Edouard Daladier earlier had called Gen. Maurice Gamelin, commander in chief of France's armed forces, back to Paris from a projected Corsican tour to keep the nation's defenses ready in event of trouble over the Free City of Danzig.

In a quick series of conferences, Bonnet talked also with the Polish and British Ambassadors, Julius Lukasiewicz and Sir Eric Phipps.

Almost four hours of official silence followed Bonnet's meeting with Welczeck, until a semi-official communique said Bonnet had outlined to the German envoy "the position of France as it was defined by Premier Daladier before the Chamber of Deputies." In adjourning the

Chamber on Tuesday, the Premier said he considered that Europe faced the gravest international situation "in twenty years," and that France, although ready always to seek peaceful solutions to European problems, was determined to resist any attempts to dominate Europe by force.

Sources close to the Foreign Ministry said Bonnet had gone on to emphasize that if Poland felt she was menaced and went to war to defend her rights, then France would be at her side. These sources said Bonnet, in the name of the French government, had advised Germany to go slow and not create conditions which would prevent negotiations for a peaceful settlement.

(The Foreign Office at Berlin was deserted today and a report of the Paris developments probably must

wait until Monday. Authorized press officials said: "There has been no effort on either the Polish or German side to reach an agreement over Danzig." It was said at Berlin however, that this did not exclude the possibility that France

Great Britain, anxious over the future, might try to patch things up.)

Parleys in Quick Succession

The German Ambassador scarcely had left the great gray palace on the Quai d'Orsay before the British Ambassador arrived. Before he called in Welczeck, Bonnet conferred with the Polish Ambassador. He hurried from a Cabinet meeting with President Albert Lebrun at the Elysee Palace back to the Foreign Ministry for the conference with the Polish envoy.

The series of conferences came after Gen. Gamelin had canceled his Corsican tour to return to his Paris headquarters over the week end from an inspection of French defenses on the Italian frontier.

His recall followed a three-hour meeting of the Cabinet with President Lebrun, during which Daladier received unanimous approval of his announced determination to back Poland if she resisted any German attempt to seize Danzig.

While Daladier and Bonnet both described the crisis over Danzig as extremely serious, Bonnet said his information services had no indication that a German move was "imminent." He said the recent speeches of Daladier and British Foreign Secretary Viscount Halifax were "warning enough" to Germany that France and Britain would carry out their pledges to Poland. A French-British-Polish warning to Germany had been considered in official quarters early this week.

Danzig Still Powder Keg

Despite Bonnet's declaration to the Ministers that nothing indicated an immediate threat to Danzig, he left no doubt that the Free City still was considered Europe's powder keg. Gamelin's recall bolstered this view. French diplomatic sources said they were anxious over reports they said they had received of troops and munitions moving into Danzig from East Prussia.

A communique issued after the

Cabinet meeting said the Premier had informed the President and Ministers of the general European situation, "which remains very serious." It also said the Cabinet had approved and the President signed "a certain number of decrees" designed to strengthen the national defense.

EDITORS--THE FOLLOWING MAY BE INSERTED AFTER EIGHTH GRAPH, PARIS,

SECOND NIGHT LEAD FRENCH XXX PEACEFUL SETTLEMENT.

AT THE SAME TIME NEGOTIATIONS WERE BEING CONCLUDED IN PARIS

FOR A NEW FRENCH-GERMAN COMMERCIAL AGREEMENT.

SOURCES CLOSE TO THE FOREIGN OFFICE SAID FRENCH AND GERMAN

ECONOMIC DELEGATIONS REACHED AN AGREEMENT DURING THE AFTERNOON ON

THE DRAFT OF A TREATY ALONG THE LINE OF THE PRESENT ACCORD ON

EXPORT AND IMPORT QUOTAS.

(THE GERMAN FOREIGN OFFICE XXX, NINTH GRAPH)

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A26

LONDON, FIRST ADD NIGHT LEAD BRITISH X X X NO RETREAT."

MILITARY EXPERTS SAID THEY DID NOT REGARD ACTIVITY IN DANZIG AS A PRELUDE TO MILITARY ACTION.

BRITAIN HAS BEEN GETTING DETAILED DIPLOMATIC REPORTS ON THE SITUATION IN DANZIG AND NO DOUBT WILL GET A FULL REPORT ON ALL DEVELOPMENTS FROM SIR HOWARD WILLIAM KENNARD, BRITISH AMBASSADOR TO POLAND, WHO ARRIVED IN LONDON BY PLANE LATE TODAY FROM WARSAW.

THE FOREIGN OFFICE SAID HE WAS HERE ON "LEAVE" WHICH HAD BEEN SCHEDULED FOR SOME TIME.

TA529PED

JUL 1 1939

A79 (NYC OUT)

BY DEWITT MACKENZIE

ASSOCIATED PRESS FOREIGN AFFAIRS WRITER

30.24

NEW YORK, JUNE 30--THE FRESH DANZIG CRISIS IS SO PITTED WITH HALF-CONCEALED POTENTIALITIES THAT ONE IS WARRANTED IN PAUSING TO CONSIDER BEFORE ADOPTING THE UNCOMFORTABLE VIEW THAT CONFLICT IS IN THE OFFING.

OBVIOUSLY EUROPEAN TROUBLE COULD GROW OUT OF THIS MESS. JUST SO IT COULD HAVE SPRUNG FROM GERMANY'S ANNEXATION OF AUSTRIA, DISMEMBERMENT OF CZECHO-SLOVAKIA, ITALY'S INVASION OF ALBANIA, AND NUMEROUS OTHER EXPLOSIVE SITUATIONS, NONE OF WHICH BLEW UP.

HAVING SAID THAT, HOWEVER, IT IS NECESSARY TO CHECK THE INFORMATION AT HAND--WHAT WE KNOW AND WHAT WE DON'T KNOW.

WE DO KNOW THAT GERMANY WANTS TO REINCORPORATE DANZIG IN THE REICH. WE DON'T KNOW, THOUGH, THAT GERMANY PROPOSES TO DO IT THIS WEEKEND,

30.24-2379

30.24-2379

AS MANY IN EUROPE FEAR, OR EVEN IN THE IMMEDIATE FUTURE. CHANCELLOR HITLER IS AN OPPORTUNIST WHO MOVES WHEN THINGS SEEM RIGHT TO HIM.

DESPITE THIS KNOWLEDGE OF A DEFINITE PURPOSE, HOWEVER, MANY OBSERVERS ARE ASKING QUESTIONS ABOUT THE BASIS FOR THE WIDESPREAD ASSUMPTION THAT ANNEXATION OF DANZIG MUST PRECIPITATE CONFLICT.

NATURALLY THE CHIEF REASON FOR THIS BELIEF IS THE BRITISH AND FRENCH PLEDGE TO GIVE POLAND MILITARY AID IF HER INDEPENDENCE IS ENDANGERED AND SHE SEES FIT TO DEFEND HERSELF.

THAT PLEDGE SOUNDS PRETTY FINAL AND OMINOUS, AND THE ANGLO-FRENCH BROTHERHOOD HAVE BEEN CALLING ATTENTION TO IT VIGOROUSLY THE PAST DAY OR TWO. HIGH NAZI CIRCLES IN BERLIN, HOWEVER, PROFESS TO BELIEVE THAT THE FRENCH AND ENGLISH WON'T BE PREPARED TO GO TO WAR MERELY BECAUSE OF THE TAKING OVER OF DANZIG--WHICH ISN'T POLISH BUT WAS GERMAN.

AT THE VERY BEGINNING OF THE DANZIG DISPUTE IT WAS GENERALLY UNDERSTOOD THAT THERE WAS A WIDESPREAD FEELING IN ENGLAND AND FRANCE THAT THE DANZIG ISSUE, TAKEN ALONE, SHOULDN'T WARRANT ANGLO-FRENCH INTERVENTION, SINCE THE FREE CITY ITSELF WANTED TO REJOIN THE FATHERLAND. DANZIG BECAME A DANGER POINT ONLY WHEN FRANCE AND BRITAIN BEGAN THE FORMATION OF THE "HALT HITLER" BLOC OF NATIONS, AND GUARANTEED AID TO SUSTAIN POLISH INDEPENDENCE.

ASO (NYC OUT)

JUL 1 1939

IT WAS REPORTED THAT THE FRENCH AND BRITISH TRIED QUIETLY TO PERSUADE POLAND TO GIVE GROUND IN THE DISPUTE, BUT WARSAW WAS ADAMANT. NOW OSTENSIBLY LONDON AND PARIS HAVE ACCEPTED THE POLISH THESIS THAT THE ANNEXATION OF DANZIG WOULD BE A MENACE TO POLAND'S INDEPENDENCE,

FRANCE WARNS REICH SHE WILL SUPPORT POLES

**Bonnet Cautions Nazi Envoy
in Surprise Summons
to Foreign Ministry.**

CABINET BACKS DALADIER

**Gen. Gamelin Is Recalled From
Corsican Trip in Case of
Danzig Trouble.**

PARIS, July 1 (A. P.).—Persons close to the French Foreign Ministry said that France had told Germany flatly today that she would support Poland in case of any aggression against her Eastern European ally.

The French caution was given to the German Ambassador, Count Johannes von Welczeck, this afternoon by Foreign Minister Georges Bonnet during a surprise interview at the Foreign Ministry, it was said.

Premier Daladier earlier had called Gen. Maurice Gustave Gamelin, commander-in-chief of all France's armed forces, back to Paris from a projected Corsican tour to keep the nation's defenses ready in event of trouble over the Free City of Danzig.

General Gamelin is now making an inspection tour of French defenses on the Italian Alpine frontier. Officials announced that as soon as this was completed the defense chief would return directly to Paris.

Diplomatic sources considered it significant that M. Bonnet himself had sent for the German envoy.

The German envoy was called to the Foreign Ministry a few hours after the Cabinet, in a three-hour meeting with President Lebrun, had unanimously approved Premier Daladier's determination to back Poland fully in whatever action she may take in event of a German move against Danzig.

Between the Cabinet meeting and the talk with the German Ambassador, M. Bonnet saw the Polish Ambassador, Jules Lukasiewicz, on the critical Danzig situation. It was understood that M. Bonnet told the

Polish envoy of the Cabinet's decision to back Poland unreservedly.

A communique issued after the unusually long meeting said simply that the Premier had informed the President and Cabinet Ministers of the general European situation, "which remains very serious."

Pessimistic Over Danzig.

Trustworthy informants, however, said that M. Daladier reiterated France's pledges of aid to Poland should the latter call for help.

Both M. Daladier and M. Bonnet, who followed him with a complete report on Europe's latest developments, were said to have painted a dark picture of the Danzig situation, center of conflicting German and Polish claims.

M. Daladier declared, the informants said, that France must show no sign of faltering at this moment, when Germany appeared to be increasing her pressure on the Free City on the Baltic.

Reports on Moscow Talks.

M. Bonnet reported on the British-French-Russian negotiations at Moscow for a mutual assistance pact, on the Far Eastern situation and on the position of France's allies in Eastern Europe in respect to the Moscow talks.

M. Daladier also obtained the Cabinet's approval and the President's signature on what the communique called "a certain number of decrees" designed to strengthen the national defense.

Finance Minister Paul Reynaud told the Cabinet that a new issue of national defense bonds had been authorized by publication of a decree in the official journal this morning. The new issue is to cover 4,400,000,000 francs (about \$116,600,000) out of the 15,000,000,000 francs (about \$397,500,000) already called for as extraordinary armaments expenditure for 1939.

THREATS AGAINST HER INDEPENDENCE.

LEON BLUM, SOCIALIST FORMER PREMIER, DECLARED THERE WAS "A CHANCE FOR PEACE, BUT ONLY JUST A CHANCE" AS HE PRAISED THE FIRM WARNING IN WHICH BRITISH FOREIGN SECRETARY LORD HALIFAX SAID THURSDAY THAT BRITAIN WAS READY TO FULFILL HER PLEDGES.

INFORMED SOURCES BELIEVED DALADIER WOULD SUBMIT TO HIS CABINET ANOTHER SERIES OF FINANCIAL MEASURES AIMED AT GIRDING FRANCE STILL MORE FOR AN UNPREDICTABLE FUTURE IN WHICH EVERY EMPHASIS IS ON ARMAMENTS AND NATIONAL DEFENSE.

DALADIER AND FOREIGN MINISTER GEORGES BONNET ALSO PLANNED TO GIVE THE CABINET MEMBERS THE LATEST NEWS OF LABORIOUS BRITISH-FRENCH-RUSSIAN NEGOTIATIONS AT MOSCOW WHICH THUS FAR HAVE FAILED TO OBTAIN SOVIET INCLUSION IN A THREE-POWER MUTUAL AID PACT.

MOST OF THE FRENCH PRESS LAUDED HALIFAX' SPEECH AND HOPED IT WOULD FORESTALL INTENTIONS ATTRIBUTED TO CHANCELLOR HITLER OF TAKING OVER DANZIG WITH THE AID OF GERMANS FILTERING INTO THAT CITY. BUT MANY INFORMED FRENCH SOURCES DID NOT BELIEVE THERE WAS THE SLIGHTEST INTENTION ON THE PART OF HITLER TO "TURN BACK FROM DANZIG."

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PARIS - JULY 1 - XXX 1939.
FRENCH ADVICES REPORTED A BELIEF THAT A GERMAN MOVE TO ANNEX THE CITY "SPONTANEOUSLY" WAS SCHEDULED FOR THIS MONTH.

IN OFFICIAL FRENCH CIRCLES THERE APPEARED TO BE NO DOUBT POLAND MEANT TO RESIST ANY ATTEMPT BY GERMANY TO TAKE DANZIG BY FORCE. THUS FRANCE AND BRITAIN WOULD BECOME DIRECTLY INVOLVED THROUGH THEIR GUARANTEES OF MUTUAL ASSISTANCE TO POLAND IN CASE OF

**CABINET POSTS
MAY GO TO EDEN
AND CHURCHILL**
JUL 2 1939
London Thinks Move Would
Show Nazis That Britain
Is Ready for Force.

DANZIG VIEWED AS DANGER

**Spokesman Says Union With Reich
Would Bring New Crisis—
Radio Attack Planned.**

LONDON, July 1 (A. P.).—Prime Minister Chamberlain was reported today to be considering the advisability of taking Anthony Eden and Winston Churchill into his Cabinet to put weight behind Great Britain's warnings to Germany to keep her hands off Danzig.

Reconstruction of the Government, which several political commentators said was likely to come soon, was described as part of Great Britain's concerted barrage to convince Reichsfuehrer Hitler that England means what she says about meeting force with force.

Mr. Churchill, First Lord of the Admiralty in the world war, had been a constant critic of Mr. Chamberlain's policy of conciliation. Mr. Eden, who was Mr. Chamberlain's first Foreign Secretary, resigned from the Government February 20, 1938, in opposition to the attempts of the Prime Minister then to deal with dictators.

Both Mr. Churchill and Mr. Eden have been repeated targets of Nazi press attacks and both now are staunch supporters of Britain's policy of building up defensive mutual assistance alliances.

Plan Favorably Received.

Several observers declared no other move at this time would be more effective in impressing Hitler that "another Munich" over the Free City is impossible.

The liberal Evening Star's political correspondent said Capt. David Margesson, chief Government whip, had been taking soundings among Conservatives for several days on bringing Mr. Churchill into the Cabinet and had found the response generally favorable.

Mr. Churchill's appointment to his world war post was said to be probable soon as successor to Lord Stanhope, First Lord of the Admiralty, whose resignation was said to be expected.

The Star said Foreign Secretary Lord Halifax has been anxious for some time for Mr. Eden's return to the Cabinet.

Reports of early Cabinet changes coincided with apparently inspired articles in London newspapers today of growing concern in the Government that Herr Hitler planned some move soon toward annexing

Danzig.

In some quarters it was believed Sir Neville Henderson, British Ambassador to Berlin, would be consulted on the possible effect in Germany of broadening the Cabinet to include Mr. Churchill and Mr. Eden.

The Yorkshire Post, in which the former Foreign Secretary's wife has an interest, commented on the effect that strengthening the national Government would have on the deadlocked negotiations to bring Soviet Russia into the British-French mutual assistance front as well as on Germany.

It mentioned Russian suspicions that a "second Munich is in preparation" and said that "the business of statesmanship is to face realities and remove doubts."

"We believe," the newspaper said, "that no step which could be taken by us at home would better conduce to this end than strengthening of the Government by inclusion of men who are known throughout the world never to have indulged in those wishful fancies which Herr von Ribbentrop (German Foreign Minister) and others have been able to exploit."

Chorus of speeches
Britain was engaged today in a growing campaign to drive home to Germany that she will fight if Europe's peace is broken and that she has strength to make good her word.

Prime Minister Chamberlain and the air minister, Sir Kingsley Wood, were expected to swell the chorus of speeches and radio broadcasts by which Britain now is warning Germany day by day that there are no "ifs" in her stand.

Sir Kingsley went to Wellington, Shropshire, today to make a speech in which it was believed he would remind Nazis of Britain's boast that her air force now is second to none.

Mr. Chamberlain was expected to repeat Sunday in a broadcast to the nation, Lord Halifax's warning that Britain is prepared to fulfill her pledge to Poland in any showdown of force with Germany over the Free City of Danzig.

Other Statements Expected.

Other Cabinet Ministers also prepared to make public statements in the coming week in an attempt to drive home to Reichsfuehrer Hitler that Britain would resist by force of arms what Lord Halifax called Thursday night any further aggression in Europe.

Despite disquieting official statements in London and Paris, some British observers expressed the belief that the Danzig issue would not come to a head for a few weeks, at least.

One sign which they regarded as indicating no immediate German attempt to annex the Free City, was an overnight improvement of sentiment on the London, Paris and New York stock exchanges—a sign heeded even by the man in the street, who usually pays little attention to the market.

BRITAIN DETERMINED

London, July 1 (P)—The British Government, in what amounted to an indirect Foreign Office communiqué, underlined today the determination of both itself and France to "fulfill their undertakings to Poland."

But it avoided a specific declaration that a Nazi putsch from "inside" the Free City of Danzig inevitably would mean war.

Quoting verbatim from an outline published in The Times of the British viewpoint, understood to have been communicated Friday night to British newspapers by Foreign Secretary Lord Halifax, an official spokesman dealt frankly with the possibilities of Hitler arranging an "apparently spontaneous" movement within Danzig for reunion with Germany and made it plain this would "at once create a most dangerous situation."

Asked about an editorial in the Daily Telegraph and Morning Post which in the strongest and most specific terms yet used here asserted that any Nazi coup in Danzig would bring both Poland and Britain into armed action, the spokesman said he preferred to stand upon the outline published in The Times.

He remarked with credit to Hilaire Belloc: "Let us never, never doubt what no one can be sure about."

The spokesman said the outline in

The Times "in its entirety" represented government opinion.

Prime Minister Chamberlain was reported considering taking Winston Churchill, First Lord of the Admiralty during the World War, and Anthony Eden, former Foreign Secretary, into his cabinet.

Sir Howard William Kennard, British ambassador to Warsaw, was reporting to the Foreign Office and officials said "No one need be surprised" if Sir Neville Henderson, ambassador to Berlin and Sir Reginald Hoare, ambassador to Bucharest, would show up shortly "on normal leave."

The first of the 20-year-old conscripts, some 34,000 of approximately 200,000 eligibles to be enlisted, were called up formally for training. Britain's trained soldiers will approach the million mark by the end of the year.

A179

CHAMBERLAIN ARRANGED TO RETURN SUNDAY FROM THE COUNTRY TO BROADCAST A SPEECH ON "NATIONAL SERVICE." IN A PUBLISHED LETTER TO A CONSERVATIVE CANDIDATE FOR PARLIAMENT HE RETTERATED A DECLARATION THAT BRITAIN WAS RESOLVED TO MEET WITH FORCE ATTEMPTS TO IMPOSE SETTLEMENTS BY FORCE.

KING GEORGE VI TOMORROW WILL REVIEW A PARADE OF 20,000 AIR RAIB PRECAUTIONS WORKERS, SYMBOLIZING NEARLY 2,000,000 ENLISTED FOR CIVILIAN DEFENSE IN WARTIME, IN HYDE PARK.

ONE NEWSPAPER PROCLAIMED IN LARGE TYPE FROM ITS STREET PLACARDS: "ALL QUIET."

JUL 2 1939
IN THE CONTRASTS OF THE DAY, THERE WAS A HALF-PAGE GERMAN RAILWAYS "VACATIONLAND" ADVERTISEMENT IN THE SAME EDITION OF THE TIMES WHICH CARRIED THE POLICY OUTLINE ENDORSED BY THE FOREIGN OFFICE.

THE OUTLINE IN PART SAID:

"WHATEVER PROCEDURE IS ADOPTED IT IS PLAIN THAT ANY ATTEMPT TO INCORPORATE DANZIG IN THE REICH IN VIOLATION OF EXISTING TREATIES WOULD AT ONCE CREATE A MOST DANGEROUS SITUATION. HIS MAJESTY'S GOVERNMENT AND THE FRENCH HAVE BOTH HAD OCCASION DURING THE PAST FEW DAYS TO MAKE THEIR ATTITUDE CLEAR, AND IN THE LIGHT OF THESE DECLARATIONS THERE CAN BE NO DOUBT ABOUT THE DETERMINATION OF BOTH COUNTRIES TO FULFILL THEIR UNDERTAKING TO POLAND. BOTH X X X ARE READY FOR COMMON ACTION IF AND WHEN THE MOMENT CALLS FOR IT."

THE UNDERTAKING AS ANNOUNCED LAST MARCH 31 BY PRIME MINISTER CHAMBERLAIN FOLLOWS:

JUL 2 1939
"IN THE EVENT OF ANY ACTION WHICH CLEARLY THREATENED POLISH INDEPENDENCE AND WHICH THE POLISH GOVERNMENT ACCORDINGLY CONSIDERED

IT VITAL TO RESIST WITH THEIR NATIONAL FORCES, HIS MAJESTY'S GOVERNMENT (AND FRANCE) WOULD FEEL THEMSELVES BOUND AT ONCE TO LEND THE POLISH GOVERNMENT ALL SUPPORT IN THEIR POWER."

THE DAILY TELEGRAPH AND MORNING POST EDITORIAL SAID:

"LET THERE BE NO MISTAKE; A NAZI COUP IN DANZIG IN THE PRESENT CIRCUMSTANCES WOULD BE REGARDED IN POLAND AS A THREAT TO POLAND'S SECURITY CARRIED OUT UNDER THE MENACE OF GERMANY'S ARMED FORCES. SUCH A THREAT, HOWEVER SPECIOUSLY APPLIED, WOULD NECESSARILY BE TAKEN

BY THE POLISH GOVERNMENT AS AGGRESSION AND WOULD EQUALLY NECESSARILY BRING THE BRITISH GUARANTEE INTO FORCE."

THE OFFICIAL SPOKESMAN, HOWEVER, DECLINED TO GIVE GOVERNMENT SANCTION TO THIS DEFINITION OF HOW THE BRITISH PLEDGE WOULD WORK.

MEANWHILE MANY BRITISH AND FOREIGN OBSERVERS CONTINUED TO LOOK FOR A SPECIFIC AND OFFICIAL ANSWER TO THE QUESTION OF WHETHER BRITAIN WOULD GO TO WAR EVEN IF HITLER MANAGED TO GET DANZIG WITHOUT RUNNING AFOUL OF THE PRECISE TERMS OF THE BRITISH-FRENCH PLEDGE TO POLAND-- IN OTHER WORDS, WITHOUT "CLEARLY" THREATENING POLISH INDEPENDENCE OR GIVING POLAND A GOOD EXCUSE TO FIGHT.

THEY ALSO WERE PUZZLED AS TO WHAT WAS BACK OF A SUDDEN OUTBURST OF APPREHENSIVE STORIES IN THE MORNING PAPERS RECOUNTING REPORTED MILITARY PREPARATIONS IN DANZIG AND PREDICTING THAT HITLER WOULD ARRANGE AN "INSIDE" PUTSCH QUICKLY.

THESE STORIES APPEARED IN LATE EDITIONS OF THE MORNING NEWSPAPERS-- FOLLOWING THE CONFERENCE BETWEEN HALIFAX AND BRITISH DIPLOMATIC REPORTERS.

ED512PED

London, July 1-(ap)-

a Government spokesman indorsed a statement that a Nazi coup to absorb Danzig "in violation of existing treaties would at once create a most dangerous situation," but declined to back another assertion that such a move would necessarily bring British guarantees of military aid to Poland into effect.

He was discussing accounts of a press conference last night at which Lord Halifax gave leading British diplomatic correspondents an outline of official opinion.

An account in the Times of London which the spokesman said could be accepted in its en-

tirety cited rumors of an early crisis in Danzig to be produced by an ostensibly spontaneous movement within the free city for reunion with Germany. It said that this would be a clear breach of treaties, and the German idea was that Poland would be forced to take action which would be represented by Germany as an act of aggression against a German city. It went on to repeat rumors that this movement might be started by a visit of Hitler to Danzig.

Both Ready for Action.

The account, as read by the official spokesman, proceeded:

"Whatever procedure is adopted, it is plain that any attempt to incorporate Danzig in the Reich in violation of existing treaties would at once create a most dangerous situation. His Majesty's Government and the French have both

had occasion during the past few days to make their attitude clear, and in the light of these declarations there can be no doubt about the determination of both countries to fulfill their undertaking to Poland. Both are ready for common action if and when the moment calls for it."

[The Anglo-French undertaking, as announced on March 31 by Mr. Chamberlain, is to lend "all support in their power" to Poland "in the event of any action which clearly threatened Polish independence and which the Polish Government accord-

ingly considered it vital to resist with their national forces."]

The spokesman was asked if the Government also stood behind a newspaper editorial in the Daily Telegraph and Morning Post, which said that any putsch in Danzig "would necessarily be taken by the

Polish Government as aggression and would equally necessarily bring the British guarantee into force." The spokesman, however, replied that he much preferred to stand on the outline which he had quoted. Observers pointed out that the editorial was the only expression of the press today which said specifically that a Danzig putsch would bring the Anglo-Polish guarantee into operation.

30.24-2383

30.24-2383

LONDON, JULY 1-(AP)-FORMER FOREIGN SECRETARY ANTHONY EDEN, WHOSE

NAME HAS BEEN MENTIONED ANEW AS A POSSIBLE CABINET MEMBER, DECLARED TONIGHT HE BELIEVED THERE WOULD BE NO WAR "IF THE TRUE FIRMNESS OF WILL AND PURPOSE OF BRITAIN CAN ONCE BE UNDERSTOOD ABROAD."

EDEN SPOKE AT ONE OF A SERIES OF POLITICAL RALLIES WHILE THERE WAS SPECULATION OVER CABINET REVISION TO EMPHASIZE BRITAIN'S WARNINGS TO GERMANY.

"THE OUTLOOK FOR THE IMMEDIATE FUTURE IS ADMITTEDLY GRAVE, EVEN DANGEROUS," HE SAID. "IT IS NOT YET DESPERATE. I, FOR ONE, CERTAINLY DO NOT HOLD THE VIEW THAT WAR IS INEVITABLE.

"THE MOOD OF THE BRITISH PEOPLE IS NEITHER JINGO NOR DEFEATIST. IT IS SOBER AND RESOLUTE AND UNSHAKEABLY DETERMINED. THE ERA OF UNCHECKED AGGRESSION IS AT AN END."

AT ANOTHER MEETING AIR SECRETARY SIR KINGSLEY WOOD DISCLOSED THAT BRITAIN IS SPENDING APPROXIMATELY £2,000,000 (ABOUT \$9,360,000) WEEKLY "ON AIRCRAFT ALONE."

SIR KINGSLEY ANNOUNCED A NEW SEPARATE WOMEN'S SERVICE FOR LIGHTER CHORES DUTY WITH THE AIR FORCE IN TIME OF WAR.

ANY AIR ATTACK ON BRITAIN, SAID THE AIR MINISTER, WOULD BE A "HIGHLY DANGEROUS AND COSTLY OPERATION." HE DESCRIBED BRITISH MACHINES, BOTH OFFENSIVE AND DEFENSIVE, AS BEING AS "GOOD AS THE BEST ANYWHERE IN THE WORLD."

THE JOB OF THE WOMEN'S AUXILIARY AIR FORCE, IT WAS ANNOUNCED, WILL BE LARGELY A MATTER OF MESS, MOTOR DRIVING, FABRIC MAKING AND CLERICAL WORK.

CHANCELLOR OF THE EXCHEQUER SIR JOHN SIMON, IN ANOTHER OF THE

SERIES OF WEEK END SPEECHES, ASSERTED THAT "THERE IS NO DOUBT TODAY WHERE BRITAIN STANDS." HE ADDED THAT "THE GENERAL POLITICAL SITUATION IS SERIOUS AND EVEN GRAVE, BUT I HAVE NO NEW DECLARATION TO MAKE."

PRIME MINISTER CHAMBERLAIN, WHO BROADCASTS TOMORROW, SENT A MESSAGE TO A BIRMINGHAM CONSERVATIVES' ASSOCIATION MEETING ASSERTING THAT THE PEOPLE "CAN RELY ON ME TO CONTINUE MY EFFORTS TO PRESERVE THE PEACE OF EUROPE WHILE NONETHELESS RESOLUTELY DETERMINED TO RESIST AGGRESSION OR DOMINATION, AND THEY MAY BE SATISFIED THAT THE FRONT PRESENTED BY THIS COUNTRY TO ANY POSSIBLE ATTACK HAS NEVER BEEN SO FORMIDABLE AS IT IS TODAY."

AT THE SAME MEETING L.S. AMERY, CONSERVATIVE MEMBER OF PARLIAMENT, SAID THAT "STRAIGHT WORDS ALONE ARE NOT GOING TO BE ENOUGH" TO CONVINCE HITLER THAT "WE MEAN BUSINESS."

"I WOULD SAY," HE ADDED, "MOBILIZE THE FLEET AND REGULAR ARMY AT ONCE."

HIGHLIGHTS OF SOME OF THE NUMEROUS OTHER SPEECHES TODAY INCLUDED;

EDWARD L. BURGIN, LIBERAL NATIONAL M.P.: "WHOEVER CONTEMPLATES ATTACKING US SIGNS HIS OWN DEATH WARRANT."

HUGH DALTON, LABORITE M.P.: "IT IS HIGH TIME THAT BRITISH MINISTERS SPOKE VERY PLAINLY BOTH TO THE RULERS AND THE PEOPLE OF GERMANY."

RAMSAY MUIR, VICE PRESIDENT OF THE LIBERAL PARTY ORGANIZATION, "WE ARE APPROACHING AN INTERNATIONAL CRISIS EVEN MORE ACUTE THAN THAT OF LAST YEAR."

EDSAPED

British Labor Radios Plea To Germans to Keep Peace

Urges Them to Tell Government They Do Not Desire War

LONDON, July 1 (AP).—In an appeal to the German people headed "Why Kill Each Other?" the British National Council of Labor begged Germans today to do whatever they can "despite difficulties of free discussion" to let the German Government know they "want peace and not war."

The appeal was prepared for the German broadcast tonight by the British Broadcasting Corporation. It was reported that it was to be broadcast from secret wireless stations on the Continent and distributed through underground organizations said to exist in Germany.

The message seeks to assure Germans that "we are friends." War is not inevitable, it declares, but will come if "the familiar process of warlike preparations, lying propaganda and stimulated disturbance" is continued against Poland in connection with Danzig.

"What we cannot submit to is that we should be blackmailed and threatened by egotistic dictators," it said.

Secret Agitation in Reich

LONDON, July 1 (AP).—Friendly secret radio stations on the Continent and an underground organization in Germany are reported to have been called into play to convey an appeal for peace from British labor to the German people.

Labor circles said such hidden machinery was used for similar appeals in the Czecho-Slovak crisis of last September and indicated that it was expected now to augment the facilities openly employed by the government-controlled British Broadcasting Company.

Today's appeal, prepared for the BBC's regular broadcast in German, dealt specifically with Danzig, urging Germans to influence their government not to go to war for the Free City but also warning that war would come if Nazi pressure on Poland is continued.

F. W. Ogilvie, Director General of the BBC, said that foreign language broadcasts now use nearly eighteen hours of program time each week.

Labor circles said that after the September crisis secret replies and letters showed that Germans actually had heard messages from Britain by the secret radio channels. They said also that Germans received messages sent by short wave from Schenectady, N. Y.

LONDON — JULY 1 — N.Y.
SUMMARIES OF ALL IMPORTANT GOVERNMENT PRONOUNCEMENTS HAVE BEEN REPEATEDLY REPRODUCED ON THE RADIO. TWO WEEKS AGO PRIME MINISTER CHAMBERLAIN MAKING A STATEMENT OF POLICY IN THE HOUSE OF COMMONS SAID HE HAD ASKED THAT IT BE BROADCAST.

ON OCCASIONS SUCH AS PRESIDENT ROOSEVELT'S MESSAGE TO CONGRESS LAST JANUARY AND HIS APPEAL ON APRIL 14 TO CHANCELLOR HITLER AND PREMIER MUSSOLINI TO RENOUNCE AGGRESSION, THE B.B.C. WORKED AT GREAT SPEED TO GET SUMMARIES INTO THE PROGRAMS FOR THE CONTINENT. LABOR CIRCLES SAID THAT AFTER THE SEPTEMBER CRISIS SECRET REPLIES AND LETTERS SHOWED THAT GERMANS ACTUALLY HAD HEARD MESSAGES FROM BRITAIN BY THE SECRET RADIO CHANNELS. THEY SAID ALSO THAT GERMANS RECEIVED MESSAGES SENT BY SHORT WAVE FROM SCHENECTADY, N.Y. "WHY KILL EACH OTHER?" WAS THE TITLE OF TODAY'S APPEAL, SENT BY THE BRITISH NATIONAL COUNCIL OF LABOR. GERMANS WERE ASKED TO DO WHATEVER

THEY COULD, "DESPITE DIFFICULTIES OF FREE DISCUSSION," TO LET THE GERMAN GOVERNMENT KNOW THEY "WANT PEACE AND NOT WAR."

THE MESSAGE SOUGHT TO ASSURE GERMANS THAT "WE ARE FRIENDS" IT SAID WAR WAS NOT INEVITABLE, BUT THAT IT WOULD COME IF "THE FAMILIAR PROCESS OF WAR-LIKE PREPARATIONS, LYING PROPAGANDA AND STIMULATED DISTURBANCE" IS CONTINUED AGAINST POLAND IN CONNECTION WITH DANZIG.

PARTICULARLY SIGNIFICANT WERE SECTIONS OF THE MANIFESTO WHICH SAID OF ALLEGED NAZI PRESSURE ON POLAND FOR DANZIG:

"YOU MUST FACE THE FACT THAT IF THIS IS CONTINUED THE RESULT WILL BE WAR."

SUPPORTERS OF THE CHAMBERLAIN GOVERNMENT REGARDED THE APPEAL, WHICH IN EFFECT INCORPORATED MUCH THAT FOREIGN SECRETARY LORD HALIFAX SAID THURSDAY NIGHT, AS STRENGTHENING BRITAIN'S STAND BEFORE THE WORLD BY SHOWING LABOR SUPPORT FOR GOVERNMENT FOREIGN POLICY.

BRITISH ADVISED TO TALK TO REICH THROUGH HITLER

"All Other Ways Are
Blocked," Goebbels
Tells England

Goebbels Answers Halifax.
BERLIN, July 1 (A. P.).—Propaganda Minister Paul Joseph Goebbels told British statesmen today the only way they could talk to the German people was through Chancellor Hitler.

In an obvious reply to the series of warning speeches broadcast in German by the British Broadcasting Corporation, Dr. Goebbels said in Hitler's Voelkischer Beobachter that the British are "exploring, as they say, for a way to speak to the German people."

He declared: "There is one such—through the Fuehrer. All other

ways are blocked."

Answering the warning of the British Foreign Secretary, Lord Halifax, that force would be met with force, Dr. Goebbels said that "English threats do not impress us any more."

How many Germans hear the broadcasts in the German language could not be determined. British news broadcasts, however, can be picked up on some German radio sets.

Dr. Goebbels advised London to "make no more evasions, declaim no empty threats and arrange no silly bluffs but show action, nothing but action."

Denies Using Epithet.

He said that "the English say we reviled them as idiots," and added: "Politeness alone forbids us from making such a drastic characterization." An official denial was issued Tuesday that Dr. Goebbels had said "England stands there as an idiot" in an address at Essen.

Nazis remained silent on persistent reports abroad that a crisis was impending over Danzig. Deutsche Diplomatische Korrespondenz, mouthpiece of the Foreign Office, charged Poland with having made "dissolution of the Czecho-Slovak republic unavoidable" by demand-

ing and furthering the elimination of Carpatho-Ukraine, the eastern tip of the one-time republic now occupied by Hungary.

The Foreign Office organ said Britain, with France, "had regarded Czecho-Slovakia as a natural bulwark against Germany and it appears so to think even today," adding, "certain signs speak for this."

GERMANS INDICATE TACTICS ON DANZIG

High Quarters Say Old Slogan
of 'Self-Determination' Will
Be Invoked in Free City

HITLER TRIP THERE DENIED

Reich 'Refugees' Arrive From
Poland—Germany Launches

a 10,000-Ton Cruiser

BERLIN, July 1 (A. P.).—High quarters said tonight that the Free City of Danzig probably would return to Germany through a declaration of Danzig citizens on the basis of the "right of self-determination."

But when the step would be taken remained a mystery. There was a flood of rumors giving conflicting dates. One man—Chancellor Adolf Hitler—will determine the hour. In the past when he has decided to move he has done so suddenly.

Danzig is arming itself for such an eventuality, although spokesmen of the Free City say that it will not take the initiative. This was believed here to mean merely that Danzig would not hoist the swastika flag until Chancellor Hitler gave the signal.

Although Danzig is a small part of what the Germans want from Poland—the port is included in Poland's customs system—the Nazi high command was believed to have decided to start with it because they regard it as the weakest part of the Polish armor.

The Nazis say that Poland's allies, Britain and France, will not fight over Danzig, which they say "is beyond doubt a German city and wants to return to the Reich."

[Danzig was a part of Germany before the World War.]

Everything in official quarters indicates that Germany believes the argument of "self-determination" holds as good today for Danzig as it did for Austria, the Sudetenland and Memel, and that Britain will not dare oppose it.

There is at least one big difference between the situation this summer and that of a year ago preceding the drive against Czecho-Slovakia. Now German propaganda is not driving headlong against the Poles with screaming tales about atrocities and with threats of action, as it did against the Czechs.

This time Britain and her newly welded bloc of allies are the main target.

Denies Danzig Visits

The Foreign Office categorically denied today that Hitler or his first aide, Field Marshal General Hermann Wilhelm Goering, or any other leading Nazi personality planned to go to Danzig. The Foreign Office said that in any case none of them would go until after the Free City formally was annexed by the Reich.

Bad weather chased Hitler from his mountain-top summer Chancellery at Berchtesgaden to Munich. Nazis said he was expected to spend a "quiet

week-end" there.

Grand Admiral Erich Raeder, commander in chief of the German Navy, presided over the launching in Bremen today of a new 10,000-ton cruiser, the Luetzow. She is Germany's fifth heavy cruiser, capable of 32 knots and equipped with eight 20.3-centimeter (8-inch) guns. Fifty thousand persons watched the launching.

SCORES OF GERMANS CROSS FROM POLAND

Enter Danzig With Reports
They Couldn't Work.

FREE CITY OF DANZIG, July 1 (A. P.).—The arrival of scores of German "refugees" from Poland was the only stir today in Danzig, whose Nazi officials took a political holiday on a hot week end while uneasy foreign capitals talked of possible German or Polish action over the Free City which might upset European peace.

The arriving Germans largely were industrial workers who reported to the Danzig authorities

that they left Poland because working and social conditions for Germans there were becoming increasingly difficult.

They charged that in border regions German religious services were being broken up and the cultural organizations were being banned. Some spoke of "persecutions" suffered by German friends, but none reported having been abused personally.

The Germans who arrived today and others are permitted to enter Free City territory freely. But officials said it was becoming difficult to care for, and particularly to provide work for, those who wished to stay in Danzig. Officials continued to deny there were concentrations of German troops on Free City territory.

A tour through the Danzig station disclosed that there were no SS or SA men or even a policeman in the building, which also houses the Statistical Department of the Danzig Government.

BLACK SHIRTS SEEN ON 2 DANZIG HILLS

S. S. Men Found By Reporter
To Be Occupying Strategic
Locations

Nazis Still Insist, However,
There Are No S. S. Or S. A.
Men In Free City

JUL 2 1939
JULY J. STEINKOPF
Associated Press Writer

Free City of Danzig, July 1—A tour of all parts of Danzig disclosed today that black-uniformed Danzig S. S. men were in complete charge of one hill and had partial control of another.

Business went on as usual in the City Hall and the radio station was unguarded by either police or S. S. men. Anyone could wander in or out and there were no provisions visible for caring for several hundred men who, according to many reports, are stationed within the radio building.

I know because I wandered through the radio building to find an obscure studio from which I made a broadcast. And later a taxicab driver who was waiting for me came up from the basement with the remark that he had been looking for me and could find no one except a janitor.

Encounters Black Shirts

But on two hills overlooking Danzig I encountered the S. S. These black shirts are "ready to defend the community in any emergency," I was told yesterday. "We have our S. A. (storm-troopers) and S. S. already trained," an official said.

Tourists with field glasses and cameras went to the top of the Bischofsberg without molestation but were not allowed to take certain side paths in the park which crowns the hill. These paths were closed by barricade and signs stated that entrance was forbidden.

The S. S. had taken complete charge of the Handelsberg, on the top of which

are the two masts of the Danzig radio station.

Rumors Rife In City

Danzig vibrated with rumors and many citizens were saying they were sure that German soldiers or members of Nazi semi-military formations from outside Danzig were in town.

There were stories that mysterious trucks were bringing in loads of arms, and a Polish moving van was pointed out as being under suspicion. I followed it to discover the van was carrying 150 mattresses, which were being taken to the Wiehen barracks for use of extra men being called in for augmented police service.

Gossip said that some of these new men were Germans who crossed the border from East Prussia. They wear on their sleeves little bands with the legend "Heimwehr." It was explained in official quarters that the band indicated they were Danzig S. S. men who had volunteered for police service.

Draft Authorized

Ordinances give the state authority to call in men for conscript service if necessary, but this provision has not been exercised.

Danzig officials insisted that not a single German "with or without a uniform" was on duty in the Free City.

"There is no German officer or S. S. or S. A. man on duty in the Free City," Max Buhle, press officer of the Free City, said. "Moreover, no German anti-aircraft artillery has been set up on the Bischofsberg."

"It is freely admitted that precautionary measures have been taken, and that is why you were unable to go to the top of the Handelsberg today, but such defensive measures as have

been taken are entirely our own."

Report Discounted

Buhle discounted reports that Chancellor Adolf Hitler would visit Danzig on any specified date.

"Certainly we know nothing of such plans," he said. "Moreover it would be inconceivable that Hitler could cross Polish territory to reach the Free City."

"Hitler's coming by sea would be almost equally difficult because treaties provide that a warship coming into Danzig must notify Warsaw. Warsaw has no authority to object, but it is scarcely to be believed that the Führer would come to Danzig under such conditions."

Danzig Invites Summer Tourists

FREE CITY OF DANZIG, July 1 (A. P.).—The Danzig radio station broadcast invitations to one and all today to "come and see Danzig and spend your summer holidays here."

The morning special program was interrupted frequently by a speaker who described the beauties of this city, which has become the focus of Europe's worries, and told of its string of fine beach resorts.

Secrecy Is Tightened Around Helgoland

BREMEN, Germany, July 1 (A. P.).—Secrecy around the fortified island of Helgoland, in the North Sea, was tightened today.

German citizens without identification papers were prevented from going to or even toward the island. The restrictions will be permanent.

Foreigners some time ago were barred from Helgoland.

Britain and France Hand New Proposals to Russia

Blanket Guaranty for Smaller Neighbors of Reich Offered

MOSCOW, July 1 (A. P.).—The newest British-French proposals for a mutual assistance pact were being studied tonight by the Soviet government. They were submitted to Premier-Foreign Commissar Vyacheslav M. Molotov by British Ambassador Sir William Seeds, William Strang, special British envoy, and French Ambassador Paul-Emile Naggiar in a two-hour conference today at the Kremlin.

The contents were not disclosed but it was said to have included a compromise formula under which such widely scattered states as Belgium, the Netherlands, Switzerland, Finland, Latvia and Estonia would be brought under the same guaranty.

SOVIET COMMISSAR SEES ENVOYS AGAIN

Molotov Discusses Changes in Anglo-French Pact.

MOSCOW, July 1 (A. P.).—British and French negotiators again visited Premier-Foreign Commissar Vyacheslav Molotov today in a new attempt to satisfy Soviet Russia's requirements for joining the British-French mutual assistance front.

The diplomats, British Ambassador Sir William Seeds, Special British Envoy William Strang and French Ambassador Paul-Emile Naggiar, were understood to have submitted new proposals based on instructions received from London and Paris.

They went to the Kremlin at noon and had not left more than an hour later.

Finland Rejects Soviet Guarantees

Helsinki, July 1 (A. P.).—Prime Minister A. K. Cajander gave formal notice today that Finland wanted no pledges of protection from Soviet Russia.

He said in a statement that the Soviet's insistence on guarantees for Finland along with the Baltic States, as a part of any Soviet agreement with Great Britain could not be considered "a friendly act."

Finland rejected recently Germany's offer of a non-aggression treaty.

"Against our wish to stand neutral we are offered protection, which we have not asked and which we do not accept, and which offer we do not consider a friendly act," the Prime Minister declared.

"We will firmly adhere to our policy of strict neutrality, working towards this end in co-operation with the other Scandinavian countries."

Beck Talks At Warsaw With British Attache

Warsaw, July 1 (A. P.).—Joseph Beck, Foreign Minister, received a report on the situation in Danzig today from Marian Chodacki, Polish commissioner general in the Free City, and conferred later with Clifford Norton, British charge d'affaires.

There was official silence on what the commissioner general reported, but some Poles saw indications that Germany would respect the status quo in Danzig at least until the end of August.

The basis for these observations was a formal notice from Berlin that the German cruiser Königsberg would visit Danzig August 23-25 to participate in commemoration of the twenty-fifth anniversary of the battle of Tannenberg.

Crewmen of the German boat Magdenburg, which participated in the battle, are buried in Danzig.

Poles Report Forcing Down Plane

WARSAW, Poland, July 1 (A. P.).—Reports reaching Warsaw tonight said that a German plane had been forced down yesterday near Czeszochowa, thirty-one miles from the German frontier, and that two German pilots were detained.

One was said to have been injured. The other, it was reported, was caught by the police as he attempted to flee with a small movie camera and films of Polish military preparations along the border.

Hungary Establishes Legation in Slovakia

BUDAPEST, July 1 (A. P.).—The Hungarian consulate at Bratislava was changed into a legation today, signifying Hungary's recognition of Slovakia's independence.

Diplomats said that the move would ease the tension between the two countries, largely due to the insistence of Hungarian nationalists that Slovakia eventually must be united with Hungary, as before the war.

After the breakup of Czechoslovakia in March Slovakia was placed under Germany's military protection.

Hungary Official To See Nazi Display

Budapest, July 1 (A. P.).—Gen. Henrik Werth, chief of the Hungarian Army general staff, will attend the Summer maneuvers of the German Army, it was announced officially today.

ALLIES DEFIED BY LEADER OF DANZIG NAZIS

People Ready To Sacrifice Lives To Return To Germany, Förster Says

By ALVIN J. STEINKOPF
Associated Press Writer

Free City of Danzig, July 2.—Albert Förster, fiery leader of Danzig Nazis, told a rally at nearby Tiegenhof today that Danzigers were ready to sacrifice "blood and life" in order to return to Germany.

"We in Danzig declare we want to return to Germany and we declare further that we will return," he asserted at the close of a district Nazi meeting.

"One word of the Führer has a thousand times more weight with us in Danzig than all the war cries and lying agitation in the world," Förster said, adding that "no threat from Poland can frighten Danzig."

To Stand Together

"When the Führer brings Danzig liberty, then this German population will stand together as one man in brazen faith to the Führer and Germany and it (Danzig) will be ready for every sacrifice which the Führer demands, not only of possessions but also of blood and life."

Förster charged that "the encirclement powers" were ready to wage war against the theory of self-determination of peoples in order to perpetuate "an injustice."

"They are preparing to deliver Danzig to Poland rather than to agree to fulfillment of the wish of the determined Danzig population for return home to the Reich," he said.

"As a result Danzigers and all Germans in greater Germany now conclude that nothing else is left but to adapt themselves to the position of force held by England and her allies."

Thousands Attend Rally

Several thousand persons were attracted to Tiegenhof for the party demonstration. Officials said the purpose of the rally merely was to "strengthen Nazi resolution" and that no new policies or measures were contemplated.

While Förster was voicing his demands for union with Germany, authorities of this Nazi-dominated free city waited impatiently to learn results of diplomatic discussions in Paris and London.

Considerable interest was centered on the action of the British and French governments in calling home their Ambassadors, to Warsaw to report on German-Polish relations and the whole question of Danzig and Pomorze, the Polish Corridor.

The Nazi newspaper *Vorposten* declared, however, that such discussions could not change the "inevitable trend of events."

Return Decided

"The return of Danzig to the Reich has been decided," the newspaper said. "The time of such return is to be decided by Führer Adolf Hitler."

Vorposten added that forces advocating "encirclement" of Germany seem to be gaining the upper hand

in the French and British press and political circles.

"We note these tendencies in the capitals of the western states, but hold they can have no influence on the resolution of Germany in the Danzig question."

The German intentions are clear and have been repeated so often there can be no misunderstanding.

Danzig continued calm, with its police and black-shirted Danzig S.S. men in complete control. The watch along the Free City's borders was strengthened and several barracks were full of S.S. men ready for any emergency.

But there was no emergency this quiet Sunday.

French War Machine Geared For Long Crisis

Paris, July 2 (A. P.).—France geared her war machine today for a prolonged crisis over Danzig.

Extra defensive precautions were taken as the independent newspaper *Paris-Midi* declared that only prompt warnings by London and Paris "stifled a Nazi plan of having the Danzig Senate demand the Free City's union with Germany this week-end."

Gen. Maurice Gustave Gamelin, commander in chief of all France's armed forces, returned from an inspection of French defenses on the Italian frontier and was closeted for an hour with Premier Daladier.

"More Than Satisfied"

The gray-haired generalissimo, who, at Daladier's direction, canceled a projected tour of Corsica to hurry back to the capital, told the Premier he was "more than satisfied" with the

defense line facing Italy. He gave a glowing report on France's land forces.

Even before he reached Paris in answer to Daladier's urgent call, informed quarters said "every military step necessary for immediate action up to the calling of reserves" had been taken in the last few days.

With the military secrets law in operation, no one could say what these steps were beyond routine movements of supplies.

Talks With British Envoy

Diplomatic action begun Saturday continued when Georges Bonnet, Foreign Minister, received Charles Corbin, French Ambassador to London, for a morning conference at the Foreign Ministry.

Over the week-end these diplomatic steps were taken and approved unanimously by the Cabinet in a three-hour meeting with President Albert Lebrun yesterday.

Bonnet called Johannes von Welzbeck, German Ambassador, to the Foreign Office and cautioned him France was ready for action if Germany took any step to seize Nazi-dominated Danzig. French said a parallel warning was made by Britain either through France or directly.

Both France and Britain were reported in Paris to have given Poland formal assurances that they were ready to give automatic aid to her without previous consultation if Germany grabbed Danzig.

French diplomats reported the Paris action to French-British allies in Eastern Europe, while both London and Paris concentrated on completion of the proposed three-power mutual-assistance pact with Soviet Russia.

Lebrun Backs Daladier

President Lebrun, traveling through the sun-baked Mediterranean department of Hérault on one of his formal weekly visits to French provinces, gave his full support to the Daladier Government's activity.

At Montpellier he quoted Daladier's words: "Arm, unite and wait," which the Premier told the Chamber of Deputies recently was the task of the nation.

"All citizens interested in the safety of the Fatherland should guide their actions by following his advice," the President said in a speech.

The *Paris-Midi* reported that the French-British front, fearing a German invasion of the Netherlands should war come, had opened diplomatic conversations with the little kingdom and also planned military exchanges.

That part of the French press which learned of Bonnet's warning to the German Ambassador early enough to comment was unanimous in praise of the Foreign Minister's action.

He charged foreign countries were trying to sow discord between the German people and their govern-

ment.

Meanwhile, the British government hoped an agreement would be reached this week on the proposed British-French-Soviet mutual assistance pact. The Soviet reply to the latest British proposals was expected within a day or two.

Prime Minister Chamberlain's radio speech tonight was devoted largely to the nation's civil defenses, such as air raid precautions, auxiliary fire brigades and barrage balloon units, which were reviewed by King George earlier in the day. Chamberlain thanked the volunteers, whom he estimated at about 1,250,000. He called them the "fourth arm standing side by side with the auxiliaries of our three fighting forces as a definite part of the organization of our country's protection."

"This is a natural development," he continued, "following the realization that modern war is no longer what it used to be—a conflict confined to the armed forces of nations. In these days, the civil population, too, is right in the front line."

Hilfer Attends Funeral of Gen. Knochenhauer

HAMBURG, Germany, July 2 (A. P.).—Chancellor Adolf Hitler came here from Munich today to attend a state funeral for Gen. Wilhelm Knochenhauer, commander of the 10th Army Corps, who died last Friday. He was expected to go next to either Munich or Berchtesgaden.

Politically, Germany was exceedingly quiet today. Newspapers almost without exception, refrained from attacking Great Britain, and few references of any sort were made to the international situation.

All comment was lacking on reports from Paris that the French foreign minister, Georges Bonnet, had told the German ambassador, Johannes von Welzbeck, last night that France and Britain would fight if Poland were attacked.

Rudolf Hess, Hitler's deputy, repeated, however, in a speech at the fortified frontier line at Kaiserslautern, that any encirclement of Germany and Italy can not be successful, because the axis is stronger than the fighting power" of the "other encirclement pacts."

He charged foreign countries were trying to sow discord between the German people and their govern-

Stand on Danzig Strengthened

LONDON, July 2 (A. P.).—British official circles said today that Great Britain, France and Poland had agreed that any attempt to bring the Free City of Danzig into Germany, either from the inside or from the outside, would be resisted by force. France and Poland already have informed the Berlin government of their decision, these circles said, and Britain will make her position clear this week through diplomatic channels.

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ment—"an attempt made before 1914"—but "this time they will not succeed."

AUSTRALIA TO THE BRITISH

'To the Last Man and Shilling,' Premier Menzies Declares

SYDNEY, Australia, July 2 (AP).—Premier Robert Gordon Menzies, in one of the most forthright speeches by an Australian statesman since 1914, declared today that Australia stood with Britain "to the last man and shilling * * * even if it means war."

Disclosing that he was in "hourly" contact with the British Government, Premier Menzies said:

"We never hesitated in expressing an opinion * * * but because we believe Britain throughout has acted with honor, judgment and long-suffering, care and patience * * * Australia takes her stand."

"I believe in the Scottish proverb that 'a creaking door hangs a long time,' but it is foolish if we do not acknowledge the gravity of the international situation."

Italians Read 'No War' Sign In Historic Race Result

By The Associated Press.

SIENA, Italy, July 2.—The European crisis was left at the post today when the "Eagle" ran away from the "Porcupine" in one of the world's strangest horse races—a race dating from the fourteenth century. The horse representing Eagle Comprada, one of the seventeen divisions of Siena, galloped to victory before a crowd of 7,000, including King Victor Emmanuel and Queen Elena.

The horse bearing the colors of Porcupine Comprada didn't get away from the starting line until the others had nearly completed the first of three laps around the Municipal Piazza. Sienese, recalling that Porcupine Comprada victories in recent times had coincided with Italy's entrance into the World War, commented, "niente guerra—no war."

French Act To Halt Cry For Autonomy In Syria

High Commissioner Authorizes Towns In Christian Areas To Fly Own Local Flags

Damascus, July 2 (AP).—Gabriel Puaux, French high commissioner, published a decentralization program today designed to halt frequent outbursts of autonomy agitation which has kept Syria in a furore for years under the French League of Nations mandate.

The plan authorized natives of Djazirah, Jebel, Ed Druze and Alaouite, which are Christian areas, to fly their own local flags and control appointment of minor native officials.

French administrators are to be appointed for each area and will be responsible directly to the high commissioner. The plan was well received in Syrian quarters but failed to quiet clamor of Syrian Nationalists, who control Parliament, for complete independence.

HIS DISCLOSURE CAME AS PRIME MINISTER CHAMBERLAIN BLUNTLY

REAFFIRMED THAT THE BRITISH WERE PREPARED "TO THROW OUR WHOLE STRENGTH INTO THE SCALE, IF NEED BE, TO RESIST AGGRESSION" AGAINST BRITAIN OR STATES WHOSE INDEPENDENCE SHE HAS GUARANTEED.

MAKING A BRIEF SPEECH ON CIVIL DEFENSES WHICH WAS BROADCAST THROUGHOUT THE EMPIRE, THE PRIME MINISTER SAID:

"WE ARE LIVING IN CRITICAL AND DANGEROUS TIMES. WE ARE OURSELVES A PEACEFUL NATION AND WE DESIRE NO QUARRELS WITH ANYONE."

"BUT LET NO ONE MAKE THE MISTAKE OF SUPPOSING THAT WE ARE NOT READY TO THROW OUR WHOLE STRENGTH INTO THE SCALE, IF NEED BE, TO RESIST AGGRESSION WHETHER AGAINST OURSELVES OR AGAINST THOSE WHOSE INDEPENDENCE WE HAVE UNDERTAKEN TO DEFEND."

HE DID NOT SPECIFICALLY MENTION POLAND, OR THE DANZIG SITUATION, BUT POLAND IS ONE OF THE NATIONS HOLDING BRITISH AND FRENCH GUARANTEES. POLITICAL CIRCLES SAID THEY HAD NO DOUBT CHAMBERLAIN'S WORDS WERE MEANT FOR GERMAN EARS.

BRITISH OFFICIALS HAVE MADE NO SECRET OF THEIR FEARS THAT GERMANY MIGHT UNDERESTIMATE BRITAIN'S DETERMINATION TO RESIST WHAT THEY HAVE CALLED "FURTHER AGGRESSION IN EUROPE."

IN ORDER TO REMOVE ANY DOUBT THAT MIGHT REMAIN IN NAZI MINDS, INFORMED SOURCES SAID THE GOVERNMENT WAS PLANNING TO GIVE BERLIN THE STATEMENT THAT ANY ATTEMPT TO BRING DANZIG INTO GERMANY WOULD BE RESISTED BY FORCE.

ONLY YESTERDAY A GOVERNMENT SPOKESMAN ENDORSED A STATEMENT THAT A NAZI COUP TO ABSORB DANZIG "IN VIOLATION OF EXISTING TREATIES WOULD AT ONCE CREATE A MOST DANGEROUS SITUATION," BUT DECLINED TO BACK ANOTHER ASSERTION THAT SUCH A MOVE "WOULD NECESSARILY" BRING BRITISH

GUARANTEES OF MILITARY AID TO POLAND INTO EFFECT.

THE PRIME MINISTER'S SPEECH WAS DEVOTED LARGELY TO THE NATION'S CIVIL DEFENSES, SUCH AS AIR RAID PRECAUTIONS, AUXILIARY FIRE BRIGADES AND BARRAGE BALLOON UNITS WHICH WERE REVIEWED BY KING GEORGE VI IN HYDE PARK EARLIER IN THE DAY.

HE READ A STATEMENT FROM THE KING PRAISING THE VOLUNTEERS FOR THEIR EFFORTS AND CONCLUDING:

"YOU KNOW THAT ALL OUR PREPARATIONS ARE DESIGNED NOT TO PROVOKE WAR BUT TO PRESERVE PEACE. WE STILL PRESERVE THE HOPE THAT NATIONS MAY LEARN TO LIVE TOGETHER IN FELLOWSHIP AND HARMONY."

"BUT IN THE MEANTIME WE ARE RESOLVED TO LEAVE NOTHING UNDONE TO MAINTAIN OUR COUNTRY'S SECURITY AND TO THAT TASK THE NATIONAL SERVICE VOLUNTEERS ARE MAKING A CONTRIBUTION WHICH DESERVES ALL OUR GRATITUDE."

THERE WERE SPEECHES BY SEVERAL OTHER BRITISH LEADERS OVER THE WEEK
END, ALL EMPHASIZING BRITAIN'S READINESS TO FIGHT. ONE SPEAKER WAS
FORMER FOREIGN SECRETARY ANTHONY EDEN WHO SAID:

"I AM CONVINCED THAT IF THE TRUE FIRMNESS OF WILL AND PURPOSE OF
BRITAIN CAN ONCE BE UNDERSTOOD ABROAD THERE WILL BE NO WAR."

THE SAME NOTE WAS STRUCK BY ARTHUR GREENWOOD, ACTING LEADER OF THE
LABORITE OPPOSITION WHICH IS STANDING FIRMLY BEHIND THE GOVERNMENT'S
"STRONG" POLICY.

"THE STUMBLING BLOCK TO ESTABLISHMENT OF A SETTLED PEACE," HE SAID,
"IS HITLER'S DISBELIEF IN THE SINCERITY OF BRITAIN'S STATEMENT."
HE ADDED THAT BRITAIN WANTS NO WAR, BUT IS DETERMINED "TO RESIST
FURTHER ACTS OF AGGRESSION."

"THE DESIRE FOR WAR OR PEACE THEREFORE RESTS ENTIRELY IN THE HANDS
OF THE POTENTIAL AGGRESSOR," HE ASSERTED. "THE DIE WILL BE CAST BY
HIM AND NOT BY US. THIS IS A TRUTH WHICH I EARNESTLY HOPE THE
PEOPLE OF GERMANY WILL GRASP WITH ALL ITS IMPLICATIONS."

THERE WAS NO ATTEMPT IN GOVERNMENT CIRCLES TO MINIMIZE THE GRAVITY
OF THE DANZIG SITUATION. DIPLOMATIC REPORTS TO LONDON TOLD OF A
"FREE CORPS" BEING FORMED IN THE FREE CITY AND OF THE PRESENCE OF
GERMAN SS MEN (BLACK-SHIRTED ELITE GUARDS.)

(OFFICIALS IN BERLIN AND DANZIG HAVE DENIED THAT ANY "FREE CORPS"
WAS BEING ORGANIZED AND THAT THERE WERE ANY GERMAN SOLDIERS, IN
UNIFORM OR CIVILIAN DRESS, FILTERING INTO THE FREE CITY. OBSERVERS IN
DANZIG SAID SS AND SA MEN SEEN THERE WERE DANZIGERS.)

POLAND WAS SAID TO HAVE NOTIFIED GERMANY, BRITAIN AND FRANCE SHE
WOULD RESIST ANY ATTEMPT TO CHANGE THE STATUS OF DANZIG EITHER BY
OUTSIDE FORCE OR BY A "SPONTANEOUS" MOVEMENT FROM WITHIN.

THE GUARANTEE TO POLAND AS ANNOUNCED LAST MARCH 31 BY CHAMBERLAIN WAS

AS FOLLOWS:

"IN THE EVENT OF ANY ACTION WHICH CLEARLY THREATENED POLISH
INDEPENDENCE AND WHICH THE POLISH GOVERNMENT ACCORDINGLY CONSIDERED
IT VITAL TO RESIST WITH THEIR NATIONAL FORCES, HIS MAJESTY'S GOVERNMENT
(AND FRANCE) WOULD FEEL THEMSELVES BOUND AT ONCE TO LEND THE POLISH
GOVERNMENT ALL SUPPORT IN THEIR POWER."

FOREIGN SECRETARY LORD HALIFAX REMAINED IN LONDON DURING THE
WEEKEND AND CHAMBERLAIN WAS ONLY AN HOUR'S AUTOMOBILE JOURNEY FROM THE
CAPITAL. THE PRIME MINISTER RETURNED TO NO. 10 DOWNING STREET TONIGHT.
ALL OTHER CABINET MINISTERS WERE READY FOR ANY URGENT SUMMONS.

DURING THE COMING WEEK THERE WILL BE IMPORTANT CONVERSATIONS AT THE
FOREIGN OFFICE WITH BRITISH AMBASSADORS FROM "KEY" CAPITALS IN EUROPE.

SIR HOWARD WILLIAM KENNARD, AMBASSADOR TO WARSAW, WHO FLEW HERE FROM
HIS POST FRIDAY, ALREADY HAS HAD LONG TALKS WITH LORD HALIFAX AND OTHER
FOREIGN OFFICE OFFICIALS AND PROBABLY WILL SEE CHAMBERLAIN EARLY THIS
WEEK.

SIR NEVILE HENDERSON, AMBASSADOR TO BERLIN, AND SIR REGINALD HOARE,
AMBASSADOR TO BUCHAREST, WILL RETURN SHORTLY FOR CONSULTATIONS, IT WAS
SAID.

GOVERNMENT SOURCES SAID BRITAIN WOULD UNITE WITH FRANCE IN
DIPLOMATIC ACTION THIS WEEK TO ENSURE THAT BRITAIN'S POSITION WAS
APPRECIATED FULLY IN BERLIN.

MEANWHILE, THE GOVERNMENT HOPED AN AGREEMENT WOULD BE REACHED THIS
WEEK ON THE PROPOSED BRITISH-FRENCH-SOVIET RUSSIAN MUTUAL
ASSISTANCE PACT.

THE SOVIET REPLY TO THE LATEST BRITISH PROPOSALS WAS EXPECTED
WITHIN A DAY OR TWO.

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LONDON, JULY 2-(AP)-TWENTY THOUSAND MEN AND WOMEN MARCHED BEFORE KING GEORGE VI AND QUEEN ELIZABETH TODAY IN A NATIONAL SERVICE DEMONSTRATION TO SHOW HOW ENGLAND'S CIVILIANS HAVE BEEN ORGANIZED TO MEET WAR.

DESPITE SQUALLY WEATHER, LARGE CROWDS GATHERED IN HYDE PARK TO EXAMINE THE EXHIBITS OF ANTI-AIRCRAFT GUNS AND CAPTIVE BALLOONS.

FIRST AID SERVICES GAVE A PRACTICAL DEMONSTRATION ON DOZENS OF SPECTATORS WHO FAINTED. A MEMBER OF THE LONDON SCOTTISH REGIMENT GUARDING THE ROYAL PARTY WAS AMONG THE VICTIMS.

VIRTUALLY EVERY BRANCH OF BRITAIN'S VOLUNTARY SERVICE MACHINE WAS REPRESENTED.

DETACHMENTS OF AIR RAID PRECAUTIONS SERVICES FROM ALL PARTS OF ENGLAND, SCOTLAND, WALES AND NORTHERN IRELAND MARCHED PAST THE KING AND QUEEN.

ADMINISTRATIVE OFFICIALS OF ALL VOLUNTARY SERVICE ORGANIZATIONS AND HIGH GOVERNMENT OFFICIALS WATCHED FROM STANDS NEARBY.

BANK CLERKS, OFFICE WORKERS AND FACTORY HANDS WHO GIVE THEIR SPARE TIME TO PREPAREDNESS TRAINING FOR WAR-TIME SERVICE IN THE FLEET SWUNG PAST IN THE DARK BLUE UNIFORM OF BRITAIN'S ROYAL NAVAL VOLUNTEER RESERVE. WITH THEM WERE VOLUNTEERS IN THE MERCANTILE MARINE FOR EMERGENCY DUTY AT SEA.

THE TERRITORIAL ARMY SHOWED ITS PACES IN A DISPLAY OF MECHANIZED EQUIPMENT AND LONG-BARRELED, HIGH-ANGLE ANTI-AIRCRAFT GUNS AND WIDENED SEARCHLIGHTS WHICH ROLLED BY ON THICK-TIRED TRUCKS WITH SCARCELY A RATTLE.

SQUADRONS OF THE BALLOON BARRAGE--PART OF THE AUXILIARY AIR FORCE--OCCUPIED TRUCKS CARRYING DEFLATED, TRIMLY-STORED BALLOONS.

30.24-2389

IN WARTIME BRITAIN PLANS TO RING LONDON AND OTHER LARGE CITIES WITH A PROTECTIVE BALLOON-SCREEN AGAINST ENEMY AIR RAIDERS.

ROME, JULY 2-(AP)-SUNDAY PROMENADERS FOUND THE WALLS OF ROME PLASTERED WITH LARGE ORANGE-COLORED POSTERS TODAY ADVISING THEM TO "GET A GAS MASK IN TIME."

THE POSTERS BORE A PICTURE OF A GAS MASK AND DIRECTIONS WHERE THEY COULD BE PURCHASED.

OTHERWISE THERE WAS LITTLE SIGN OF ANY ALARM OVER THE EUROPEAN SITUATION.

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WARSAW, JULY 2-(AP)-POLITICAL SOURCES HEARD REPORTS TONIGHT THAT A NEW JOINT BRITISH-FRENCH-POLISH DIPLOMATIC MOVE WAS BEING PLANNED POSSIBLY TO GIVE DANZIG A DIRECT WARNING IF REPORTS OF MILITARY PREPARATIONS IN THE FREE CITY CONTINUE.

(DANZIG AND GERMAN OFFICIALS IN BERLIN DENIED THAT ANY EXTRAORDINARY MILITARY ACTIVITIES WERE UNDERWAY IN THE FREE CITY AND ALSO DENIED LONDON DIPLOMATIC REPORTS THAT A "FREE CORPS" WAS BEING FORMED.)

CLIFFORD NORTON, BRITISH CHARGE D'AFFAIRES, CONFERRED AT THE FOREIGN OFFICE AS POLAND KEPT IN CLOSE CONTACT WITH BOTH FRANCE AND BRITAIN OVER DEVELOPMENTS IN THE BELIEF THAT A "FREE CORPS" IS BEING ORGANIZED AND GERMAN MILITARY EQUIPMENT IMPORTED INTO THE FREE CITY.

THERE WAS SPECULATION OVER WHAT ACTION THE THREE POWERS MIGHT TAKE IF SUCH MEASURES ARE DECIDED ON. THE CRACOW NEWSPAPER ILLUSTROWANY KURJER REPORTED THAT BRITAIN AND FRANCE WERE CONSIDERING SENDING WARSHIPS TO GDYNIA, POLISH PORT ON THE BALTIC.

ALTHOUGH THERE WERE UNCONFIRMED REPORTS OF A NEW POLISH NOTE OF

PROTEST TO DANZIG, INFORMED CIRCLES BELIEVED THAT "MORE EFFECTIVE" ACTION WAS LIKELY BY POLAND.

THE POLISH PRESS AT VARIOUS TIMES HAD REPORTED THE PRESENCE OF UNARMED POLISH "TOURISTS" IN DANZIG, MOST OF THEM YOUNG MEN IN CIVILIAN CLOTHES. IT WAS BELIEVED THIS GROUP MIGHT BE INCREASED SINCE IN POLAND THERE WAS A WIDESPREAD CONVICTION THAT GERMANY HAS EMBARKED ON A SLOW AND CAREFUL PROCESS OF "TURNING DANZIG INTO A FORTRESS."

FROM THE MILITARY POINT OF VIEW, POLES BELIEVE GERMANY IS INTERESTED IN PLANTING SUFFICIENT ARMED STRENGTH IN DANZIG TO HOLD THE FREE CITY IN EVENT OF CONFLICT UNTIL TROOPS COULD BE BROUGHT ACROSS THE VISTULA FROM EAST PRUSSIA.

Zog Lands in Rumania,
Going to Haven in France

Accompanied by Queen, He
Gets Train for Polish Port

BUCHAREST, July 2 (AP).—Exiled King Zog I and Queen Geraldine of Albania arrived by ship today at the Black Sea port of Constanza en route to a haven in France. Their arrival was a surprise, since it had been announced officially yesterday upon their departure from Istanbul that they were going to Alexandria, Egypt.

King Zog was reported to have ordered the misleading announcement because he feared possible Italian action against him.

In the royal party today were Zog's three sisters and a dozen members of their suite. A special railway car was placed at their disposal by the Rumanian government to take them tomorrow to Gdynia, Poland, close by the Free City of Danzig, where they will embark for Le Havre, France.

BUCHAREST--1ST ADD ZOG X X LE HAVRE, FRANCE.

INSTEAD OF LEAVING AT 7 P.M. (NOON, E.S.T.) AS SCHEDULED, THE ROYAL REFUGEES CHANGED THEIR PLANS AND WERE QUARTERED TONIGHT AT A FASHIONABLE BUCHAREST HOTEL. A HEAVY POLICE GUARD WAS ASSIGNED TO THEM.

THEIR SPECIAL CAR WILL BE ATTACHED TO THE POLAND EXPRESS TOMORROW DEPARTING FROM A SMALL STATION NEAR BUCHAREST.

CHAMBERLAIN DECLARES DANZIG TAKES INTENSIVE MILITARY STEPS

Says Large Numbers From
Reich Enter Free City
Posing as Tourists.

PRIME MINISTER MEETS KING

Churchill Seen Joining Cabinet in
Crisis—British Envoy to Fly

From Berlin for Conference.

LONDON, July 3 (A. P.).—Prime Minister Chamberlain informed the House of Commons today the British Government had received reliable reports that "intensive measures of a military character" were taking place in Danzig. His statement marked the first time a British Cabinet Minister had mentioned publicly reports of Danzig activity.

In response to a question, the

Prime Minister said:

"Reliable reports indicate that intensive measures of a military character are being carried out in the Free City.

"A large and increasing number of German nationals have recently arrived in the Free City, ostensibly as tourists, and a local defense corps is being formed under the name of Heimwehr.

"The Government are maintaining contact with the Polish and French governments regarding developments in Danzig."

[In Danzig, officials acknowledged Saturday that "precautionary measures" had been taken and black-uniformed Danzig S. S. men were in complete charge of one hill and had partial control of another. The police force had been augmented and men appeared wearing on their sleeves little bands with the legend "Heimwehr," which official quarters said indicated they were Danzig S. S. men who had volunteered for police service. Danzig officials insisted not a single German "with or without a uniform" was on duty in the Free City.]

Asks if Hitler Is Warned.

Laborite Frederick Cocks then asked whether the Government proposed "to take steps to inform Herr Hitler personally that any attempt to change the status of Danzig by force will be instantly resisted by the British Government."

Shouts of "that has been done!" came from the Conservative benches before the Prime Minister could reply. When he did speak he said:

"The position has been made perfectly clear by the Foreign Secretary—an apparent reference to the speech by Lord Halifax last Thurs-

"His Majesty's ambassador to Tokio has been instructed to inform the Japanese Government that any deliberate extension of such treatment to British subjects must imperil the success of the forthcoming talks."

He was referring to negotiations to begin this week in Tokio on the dispute concerning Tientsin, where the British and French concessions have been blockaded since June 14.

Mr. Chamberlain said that he did not think it advisable that he make any further statement now on the negotiations with Soviet Russia for a mutual assistance pact, since the Soviet Government was considering the latest proposals.

Envoys Call on Molotov.

[An Associated Press dispatch from Moscow stated that the British and French ambassadors called on Premier-Foreign Commissar Vyacheslav Molotov at the Kremlin this afternoon presumably to receive the Soviet reply to the latest French-British proposals for a tri-Power mutual

Minister, into the Government and it was deemed likely that if he had come to a decision it first would be communicated to the King in an audience.

The pro-Government Telegraph advocated Mr. Churchill's return to the Cabinet to impress "more profoundly the axis Powers with the conviction that this country means business." Chancellor Hitler last fall referred to Mr. Churchill as one of the "men who would like to make war."

Before going to the palace the Prime Minister had a forty-minute visit with Sir Howard William Kennard, British Ambassador to Warsaw, who returned to London last Friday with the latest information on Poland's position regarding Danzig.

Envoy Flying From Berlin.

It was disclosed that Sir Neville Henderson, British Ambassador to Berlin, would arrive in London by airplane tomorrow from his post.

It also was disclosed that a report had been received from Sir William Seeds, British Ambassador to Moscow, on his conversations with Premier-Foreign Commissar Vyacheslav Molotov regarding the proposed British-French-Russian mutual assistance pact. The Foreign Office's only comment was that "progress has been made," and it was said that further talks in the Russian capital were expected in a day or two.

The proposed warning to Germany, official circles said, would underscore warnings given in recent speeches and would apply to any Nazi putsch within the Free City as well as to an attack from outside.

France and Poland were said already to have informed Germany of their similar stand.

Warning by Chamberlain.

The theme that Britain would fulfill pledges to aid Poland in case of aggression was reiterated over the week end in a series of speeches by Cabinet ministers and others.

Prime Minister Chamberlain in a brief broadcast on civil defense yesterday gave Germany another blunt warning.

"Let no one suppose," he said, "we are not ready to throw our whole strength into the scale, if need be, to resist aggression" against Britain or States whose independence she has guaranteed.

The Daily Mail commented: "Mr. Chamberlain broadcast without histrionics... but those who mistake calmness for irresolution will be making a disastrous error. The world witnesses an impressive spectacle. It is the complete unity of Britain."

Mr. Chamberlain read a statement from King George who said: "You know that all our preparations are designed not to provoke war, but to preserve peace... But... we are resolved to leave nothing undone to maintain our country's security..."

assistance pact. The ambassadors, Sir William Seeds and Paul Emile Naggiar, were accompanied to the Kremlin by William Strang, British Foreign Office expert here for the pact negotiations. There was no hint in the Soviet press today whether the Russian reply might be favorable or unfavorable.]

The Prime Minister went to Buckingham Palace at noon for his meeting with King George.

Has Conference With King.

It was not known immediately whether the audience was for the purpose of informing the King of an approaching Cabinet reconstruction or to give him a general outline of the week-end alarms over Danzig—or both.

Some importance was attached to the fact that the audience lasted a full hour.

Meanwhile, official circles said that Britain would make clear to Germany this week her agreement with Poland and France that any attempt to bring Danzig into the Reich would be resisted by force. It was understood that Mr. Chamberlain was considering inviting Mr. Churchill, wartime Cabinet

day. In that speech Lord Halifax said "what is now fully and universally accepted in this country is that in event of further aggression we are resolved to use at once the whole of our strength in fulfillment of our pledges to resist it."

Before his appearance in the House, Mr. Chamberlain had conferred an hour with King George VI in Buckingham Palace at a time when he was said to be seriously considering reentering the Cabinet by the addition of Winston Churchill.

Laborite Hugh Dalton asked the Prime Minister in Commons whether the Government would convey to Warsaw "an expression of admiration felt in this country at the calm courage and self-control being displayed by our Polish allies in face of grave provocation." "The Government much appreciate the attitude of the Polish Government," Mr. Chamberlain replied.

Questioned About Tientsin.

R. A. Butler, Foreign Under-Secretary, in response to questions on the Far Eastern situation, said there had been no official confirmation of new incidents in Tientsin involving the stripping of British, but added:

Paris for Joint Statement.

PARIS, July 3 (A. P.).—French political circles suggested today that France, Great Britain and Poland make a direct statement to the Nazi-dominated Danzig Senate warning against any move by that body to transfer the Free City to Germany.

French newspapers emphasized the suggestion as a sequel to a French warning to Germany Saturday that the British-French front was ready immediately to help Poland if Germany forced her hand.

The independent newspaper Paris-Midi declared that the earlier admonition "stifled a Nazi plan of having the Danzig Senate demand the Free City's union with Germany this week end."

The French defense forces were being geared for a prolonged crisis over Danzig and the nation was being urged to hold firm in the face of day-to-day uncertainty.

General Maurice Gustave Gamelin, commander-in-chief of the French armed forces, conferred with Premier Daladier for an hour yesterday upon his return from an inspection of French defenses on the Italian frontier. The commander told the Premier he was more than satisfied with the defense line facing Italy.

Military Forces Ready.

In informed quarters it was said that "every military step necessary for immediate action, up to the calling of reserves" had been taken in the last few days.

President Albert Lebrun told an audience in Montpellier that "all good citizens interested in the safety of the fatherland should guide their actions by following M. Daladier's advice to 'arm, unite and wait.'"

Paris-Midi reported that London and Paris had opened diplomatic negotiations with the Netherlands, and planned military exchanges because of fears of a German invasion of the Netherlands in case of war.

An Italian, Andre Spigala, 48 years old, was ordered expelled following accusations that he had conducted anti-French propaganda in the region near Lille, where he had resided for years.

Soviet Premier Hands Reply To Allied Envoys

Moscow, July 3 (A. P.).—Yvacheslaff Molotoff, Premier and Foreign Commissar, gave Moscow's answer today to the latest British-French proposals for a three-power mutual assistance pact.

He saw the British and French Ambassadors, but observers believed the interview at the Kremlin consisted of

more than simply handing over a reply, for the Ambassadors, Sir William Seeds and Paul Emile Naggiar, and William Strang, British Foreign Office expert here especially for the negotiations, stayed more than an hour.

It was thought possible Molotoff might have communicated Soviet Russian counter-proposals and accompanied them with verbal explanation of certain points.

Nazi Military Activity In Danzig Stirs London

London, July 3 (A. P.).—Great Britain, France and Poland kept the wires busy today seeking to determine at just what point and exactly how to resist Nazi activity in Danzig.

As the problem was being debated Prime Minister Neville Chamberlain told the House of Commons he had "reliable reports" which "indicate that intensive measures of a military character are being carried out in the Free City."

"A large and increasing number of German nationals," he said, "have recently arrived in the Free City, ostensibly as 'tourists,' and a local defense corps is being formed under the name of 'Heimwehr.'"

"The Government are maintaining contact with the Polish and French governments regarding developments in Danzig."

Maintaining Contact

Chamberlain's statement was regarded as significant in view of the fact that Article 5 of the Danzig Constitution specifically prohibits any militarization of the Free City without the consent of the League of Nations, under whose protection Danzig exists as a free city, and considering that Britain and France, with Poland, are members of a League committee of three on Danzig.

Chamberlain refused to answer a question in the House as to whether the "measures" in Danzig were illegal, and this, too, was regarded as significant. Diplomatic quarters said that one of the questions under consideration by Britain, Poland and France was use of League machinery to halt Nazi activity in the Free City.

Question Up To League

The question of whether the Nazi measures were illegal would be determined by the League and it was believed Chamberlain did not therefore want to make a statement at this time.

If the League should establish that these activities were a menace to Danzig, Poland could be summoned either alone or with other League powers to give military protection to the city.

On the Far East situation, R. A. Butler, Foreign Undersecretary, said there had been no official confirmation of new incidents in Tientsin involving the stripping of British, but added:

"His Majesty's Ambassador in Tokyo has been instructed to inform the Japanese Government that any deliberate extension of such treatment to British subjects must imperil the success of the forthcoming talks."

LONDON, JULY 3

CHAMBERLAIN WAS UNDERSTOOD TO HAVE DISCUSSED THE WHOLE DANZIG

PROBLEM WITH THE BRITISH AMBASSADOR TO POLAND IN A 40-MINUTE TALK THIS MORNING. THE ENVOY, SIR HOWARD WILLIAM KENNARD, IS HERE ON AN ANNUAL LEAVE.

OTHER DEVELOPMENTS INCLUDED:

1. PERSISTENT REPORTS THAT WINSTON CHURCHILL WOULD BE TAKEN INTO THE CABINET, PROBABLY REPLACING LORD STANHOPE AS FIRST LORD OF THE ADMIRALTY, A POST HE HELD DURING THE WORLD WAR.

2. CHAMBERLAIN CALLED UPON KING GEORGE AT BUCKINGHAM PALACE FOR AN AUDIENCE WHICH WAS SEEN AS BOLSTERING THE CHURCHILL REPORTS. AN AUDIENCE WITH THE KING WOULD BE NECESSARY BEFORE CHAMBERLAIN COULD ANNOUNCE ANY CABINET CHANGES.

3. DISCLOSURE THAT THE SOVIET GOVERNMENT HAS REPLIED TO THE LATEST BRITISH PROPOSALS FOR A BRITISH-FRENCH-RUSSIAN MUTUAL ASSISTANCE PACT. THERE WAS NO IMMEDIATE INFORMATION AS TO THE NATURE OF THE REPLY.

4. ANNOUNCEMENT THAT SIR ROBERT LESLIE CRAIGIE, BRITISH AMBASSADOR IN TOKYO, HAD BEEN INSTRUCTED TO INFORM THE JAPANESE GOVERNMENT THAT "ANY DELIBERATE ILL TREATMENT" OF BRITISH SUBJECTS AT THE BLOCKADED CONCESSIONS OF TIENTSIN WOULD IMPERIL THE SUCCESS OF NEGOTIATIONS SCHEDULED TO START IN TOKYO THIS WEEK ON THE FAR EASTERN DISPUTE.

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MOSCOW, JULY 3-(AP)—THE BRITISH AND FRENCH AMBASSADORS CALLED ON PREMIER-FOREIGN COMMISSAR VYACHESLAFV MOLOTOFF AT THE KREMLIN THIS AFTERNOON, PRESUMABLY TO RECEIVE THE SOVIET REPLY TO THE LATEST FRENCH-BRITISH PROPOSALS FOR A TRI-POWER MUTUAL ASSISTANCE PACT.
THE AMBASSADORS, SIR WILLIAM SEEDS AND PAUL EMILE NAGGIAR, WERE ACCOMPANIED TO THE KREMLIN BY WILLIAM STRANG, BRITISH FOREIGN OFFICE EXPERT HERE FOR THE PACT NEGOTIATIONS.
THERE WAS NO HINT IN THE SOVIET PRESS TODAY WHETHER THE RUSSIAN REPLY MIGHT BE FAVORABLE OR UNFAVORABLE.

JUL 4-1939

JUL 4-1939

REICH DENIES AIM TO FORCE DANZIG ISSUE WITH POLAND; CHAMBERLAIN CITES 'INFLUX'

COUP TALK DERIDED

Berlin Without Designs on Warsaw's Integrity, Nazi Spokesman Says

HITLER'S STAND EXPLAINED

Way Held Open to Proposals by Poles—Chamberlain Is Said to Err on Free City

By The Associated Press.

BERLIN, July 3.—Nazism went out of its way tonight to assure the world that Chancellor Adolf Hitler had no intention of forcing the issue with Poland, and officials and the press made sport over those who had predicted a Nazi coup in Danzig yesterday.

An authorized spokesman, in one of the clearest utterances any German official has given since the beginning of the latest tension over Danzig, said that "we have no desire to go against the territorial integrity of Poland."

"If we had wanted to let the matter come to military action," he added, "we could have done so any day."

The spokesman took exception to Prime Minister Neville Chamberlain's statement in the British House of Commons today that Germans were entering Danzig. He said the Prime Minister had erred in "several statements."

"There are no German soldiers going into Danzig with tourist skirts on," the spokesman declared. "At no point in Danzig's increasing of its defense force is it breaking treaty obligations. In 1933 the police force was diminished. Now, given tension over the Free City, it is being enlarged according to treaty rights."

Asked whether Danzigers were being trained by German officers, this official replied:

"I have not heard about that."

Hitler Held Misunderstood

Chancellor Hitler's Reichstag speech of April 28, in which he denounced the German-Polish non-aggression treaty and said he would not repeat his proposal to Poland for settlement of the question of Danzig and the so-called Polish Corridor, has been "falsely interpreted abroad," the spokesman declared.

He referred to the German suggestion that Danzig come fully under the Reich's wing with port rights for Poland and that an extra-territorial strip of land across the Corridor be given to Germany so that East Prussia would be linked with Germany proper.

"The Fuehrer did not mean that his price the next time would be much higher," the spokesman said. "He meant that Poland had rejected the offer and called for help from England and that he would not again make a proposal of any sort. Any new proposals must come from Poland."

Regarding reports of a coup in Danzig, a statement issued by the official German News Bureau commented ironically on "talk in London and Paris that Hitler drew back in the face of warnings and the determination of the democracies." The comment termed this "a new trick" and added:

"That, of course, would have been enough to convince Berlin to let the plan drop."

The statement also poured scorn on reports abroad that week-end rumors might have been started by Germany herself to sound out England and France.

"Now we have the solution," the agency said. "The whole lying campaign came from us."

Prepare to Receive Bulgarians

Meanwhile, Chancellor Hitler returned to Berlin and with Foreign Minister Joachim von Ribbentrop prepared to welcome Premier George Kiosseivanoff of Bulgaria on Wednesday with assurances that Germany is in full sympathy with Bulgaria's desires for revision of the Treaty of Neuilly.

[Under the treaty, signed in November, 1919, Bulgaria ceded small parts of territory on her western frontier to Yugoslavia and gave up larger sections to Rumania and Greece.]

Herr Hitler's unexpected return—the first since he went to his Berchtesgaden Summer home June 7—indicated the importance that German leaders attach to receiving the Bulgarian Premier.

One Nazi said the visit was "an indication that more and more it is being recognized that political hopes—not to mention economic ones—can be realized only through collaboration with Germany."

The Bulgarian Premier, who is coming for a three-day stay, will be feted as an important State visitor and will be housed in Bellevue Castle, the new Nazi guest house. Herr Hitler will give a state dinner Wednesday night.

Germany now takes about 60 per cent of Bulgaria's exports and delivers 75 per cent of her imports. The Nazis hope, through expressions of sympathy for Bulgaria's treaty-revision aspirations and through developing trade, to prevent the country from entering the British-French front. They believe they have accomplished this already with Yugoslavia.

Bulgaria is classified here as already friendly to Germany, but there still remains too much French cultural influence to please ardent Nazis.

Officials expressed indignation over the British Labor party statement which revealed that steps were being taken to get the British viewpoint across to the German people through clandestine publications and radio. They interpreted this as a campaign to drive a wedge between the Nazi government and the German people.

Troops Maneuver in West

BAD WILDUNGEN, Germany, July 3 (P).—Ten thousand reconnoitering troops in western Germany are engaged in maneuvers described as the most extensive ever undertaken by this type of technical force. The exercises began yesterday and will continue until Friday. Gen. Fellgiebel, inspector of the reconnoitering troops, is in charge.

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BERLIN SECOND ADD NIGHT LEAD HITLER X X X THE PEOPLE.

DEUTSCHE DIPLOMATISCH-POLITISCHE KORRESPONDENZ, FOREIGN OFFICE

MOUTHPIECE, ASKED:

"MUST IT BE ASSUMED THAT THE PROPAGANDISTIC AND MORAL AGGRESSION

WHICH IS CONTAINED IN THIS (THE BRITISH LABOR PARTY'S) APPEAL WITH ITS IMPUDENT INTERFERENCE IN INTERNAL GERMAN AFFAIRS IS A SIGNAL FOR A STILL MORE SERIOUS MANEUVER?

"THE REACTION TO THIS STUPID AND MALIGNANT PLOT AGAINST GERMAN UNITY NEVERTHELESS MUST APPEAR DIFFERENT THAN THE QIRE-PULLERS OF SUCH POLITICS HAD IN MIND."

Nazis Deny Plan for Coup

DANZIG, July 3 (P).—Danzig Nazis, vigorously protesting that "the Western democracies are trying to make an artificial crisis," challenged "British propagandists" tonight to prove that a German "putsch" had been planned for last week-end.

Where is this sudden German or Nazi surprise action about which the world was being warned by London? a high official of the Danzig Senate asked. "We are making modest preparations against a possible surprise from the Polish border, but the most casual observation in this quiet city will show that the Germans of Danzig are manifesting the utmost patience."

Organization of a "Heimwehr," composed of men volunteering for emergency service, was acknowledged. It was admitted that men of this new service were veterans of the black-uniformed S. S. (Schutz Staffel, or Guard Troops), or of military service in Germany, but officials contended all were Danzig

ens. It was said about 400 of them had been recalled from Germany within the last few weeks.

During the day, the Nazi-controlled Danzig Senate decreed that workers might be mobilized for labor service "vital to the state" in the event of an emergency growing out of the Polish-German tension over Danzig. The workers would be recruited for industries held to be essential for the welfare of the community.

Officials Take Nazi Oath

A report was current in Polish quarters that Danzig customs officials were taking a new oath of office pledging loyalty to "the National Socialist (Nazi) leadership of the state." The report aroused uneasiness in the offices of the Polish commission for Danzig, but the

question of a formal protest was referred to Warsaw. The Free City is within the Polish customs administration and customs control here long has been a subject of dispute.

Nazi officials were displeased by the declaration of British Prime Minister Chamberlain today that military preparations were being taken in the Free City. They charged that Chamberlain was inaccurately informed.

Regulations of the League of Nations provide that the city may not have military organizations. The Danzig contention is that all defense measures, including activities much resembling air defense, were only "augmentation of police services."

Polish authorities in the Free City, including the Polish Commissioner for Danzig, Marian Chodacki, were inclined to believe the Germans had decided not to force the Danzig issue "for at least a few years." This belief was based largely on the fact that there was no "putsch" yesterday. They believed the firmness displayed in Paris and London had had a dampening effect on the enthusiasm of the more radical Nazis.

Danzig Storm Troops were being kept on an emergency basis, with many men in barracks ready for instant action, but a competent source said there were not more than three thousand such men on duty in Danzig, in addition to

BERLIN, July 3 (A. P.).—Adolf Hitler suddenly headed back to Berlin today to bulwark Germany's policy of making friends in the Balkans during the three-day State visit of the Bulgarian Prime Minister George Kiosseivanoff, starting Wednesday.

Der Fuehrer's return to the capital was the first since June 7, when he moved his headquarters to Berchtesgaden for the summer. Herr Hitler attended a funeral yesterday in Hamburg.

His return marked a change in the original plan for receiving the Bulgarian Premier and indicated the importance German leaders attached to his visit. At first Foreign Minister Joachim von Ribbentrop was expected to do all the entertaining while Der Fuehrer remained in southern Germany.

The Chancellor will receive the Bulgarian Premier shortly after he arrives and Wednesday night will give a dinner for him at his residence.

A Nazi said the Bulgarian's visit was regarded as "an indication that more and more it is being recognized that political hopes—not to mention economic ones—can only be realized through collaboration with Germany."

Poles Give Hitler a Month.

WARSAW, July 3 (A. P.).—Reflecting Polish tension over Danzig, the independent newspaper Wiecez Warszawski today printed a headline saying: "Hitler has one month to think it over—war without a chance of victory, or resignation."

A slight relaxation of week-end anxiety was noticeable, however. It was due largely to what Poles regarded as clear evidence that Britain intended to support Poland fully against any possible military coup within the free city. It was understood in this connection that Britain had asked Poland for a specific explanation as to the limits of Polish forbearance concerning reported "military" preparations in Danzig.

It was reported that this was the object of a visit to Foreign Minister Col. Joseph Beck Saturday by Clifford Norton, British charge d'affaires. Britain, according to these reports, wanted to determine exactly, if possible, when Poland would deem direct action in Danzig

necessary. Col. Beck is spending a long week-end in the country and is scheduled to return to the capital tomorrow, when the future Polish course will be discussed.

Constitution Cited.

Some Polish circles held that Britain and France, members with Poland of a League of Nations Committee of Three, should demand an immediate report from Dr. Carl Burckhardt, League Commissioner in Danzig. They pointed out that article five of the Danzig Constitution specifically prohibited any militarization of Danzig without the consent of the league, and that should the league establish existence of a direct menace to Danzig, Poland may be summoned, either alone or jointly with the other league powers, to give military protection to the free city.

Emphasis was given in the Polish press to assurances of British and French support for Poland.

There were also such headlines as "any attempt on Danzig means war," and "Hitler can no longer have any illusions—Germany has now been fully warned of the unbreakable decision of the western powers."

POLES TO COUNTER ANY ACT IN DANZIG

Warsaw Finds Chamberlain's
Statement Cheering—City
Is Calm Despite Tension

HITLER VISIT UNOPPOSED

Poland Takes Ironical View Trip Would Mean Only More Work for Nazi Police

WARSAW, July 3 (AP).—Well informed Polish sources tonight reported that Poland "is preparing to meet any situation in Danzig and any action violating the present status of Danzig will be met by counter-action."

What preparations were being made remained a secret, however, and the same sources declared that there would be no announcement "in advance" of any steps taken.

The Polish Government, in close consultation with Britain and France, studied developments in the Danzig situation. Official circles expressed pleasure over Prime Minister Neville Chamberlain's statement in the House of Commons today lauding Poland's "calm courage and self-control in the face of grave provocation."

A more definite formulation of Poland's attitude toward Danzig was expected tomorrow when Foreign Minister Colonel Josef Beck returns from a week-end in the country. The Polish Ambassador to London, Count Edward Raczyński, is due in Warsaw tomorrow to report to him on the British attitude.

Espionage Film Is Postponed

Though there was some public nervousness, officials seemed to relax somewhat from the tension of the week-end. In this connection observers believed an effort was being made to keep public opinion calm and the scheduled opening of an American film dealing with German espionage was said to have been postponed.

As one Pole put it: "Germany is trying to provoke us and it is getting difficult not to be provoked into action. The fact that the present situation may involve other countries as well as Poland is an important restraining influence."

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Hore-Belisha Flies to Paris

LONDON, July 3 (AP).—War Secretary Leslie Hore-Belisha flew to Paris today, ostensibly on a social mission. It was announced he would be the honor guest at a Franco-British Association dinner. There was no mention as to whether he would confer with French army officials.

Danzig Ready to Draft Labor

Nazi-dominated Senate to Issue Decree —Free City Residents Nervous.

FREE CITY OF DANZIG, July 3 (A. P.).—Danzig took measures today for mobilization of its workers for labor "vital to the State" in case of emergency growing out of the sharpened Polish-German differences over the Free City and Pomorze (the Polish Corridor).

An order to be published by the Nazi-dominated Senate later today provided that workers may be recruited for industries which the Senate holds to be essential for the welfare of the community. It explained that such industries as ship building, which faced a shortage of labor, might benefit by the order.

In Danzig's political and governmental services there was a new note of nervousness, reflecting uncertainty and lack of information, but there were no signs of new developments of a military nature. "As you see, the German putsch of last week end, so widely publicized in the British press, did not take place," one Danzig official observed.

An Emergency Basis

Storm troops were kept on an emergency basis with many men in barracks ready for instant action. But a competent source estimated today that not more than 3,000 such men were on duty in Danzig, in addition to police, and the Free City was hardly in a position to undertake large-scale military action.

"But it is estimated that in the event of any Polish initiative we would have to defend ourselves only about two hours before getting adequate aid from Germany," one Nazi leader said.

The Polish General Commissioner for Danzig, Marian Chodacki, returned today from Warsaw. He said he had reported to his Government and that he came back without any special mission but to resume his normal activities.

Badoglio Reports To Il Duce on Albania

ROME, July 3 (A. P.).—Marshal Pietro Badoglio, chief of staff of all Italy's armed forces, reported to Premier Mussolini today on the situation in Albania, where he has just completed a tour of inspection. The nature of the report was not disclosed.

Danzig Bank Blocks Payments Of Interest on Foreign Loans

Bondholders in U. S., England and the Netherlands Mainly Affected—Hitler Hurries to Berlin to Greet Bulgarian.

DANZIG, July 3 (A. P.).—The Bank of Danzig announced today the blocking of interest payments and amortization services on all foreign loans to the Free City.

Bondholders in the United States, England and the Netherlands are affected principally.

All Danzig gulden payments to foreigners will go into blocked accounts just as is done in Germany and investors will receive in return certificates on Danzig devisa banks for the amounts due them. Transfer of payments abroad is impossible.

American investors hold the 1927 Danzig harbor board loan and British the 1925 Danzig State loan, the tobacco monopoly loan of 1927 and the Danzig electric street car A. G. loan of 1928. The British also have some money in bonds of the Danzig Wharf and Railway Works.

One explanation given was that the Danzig port no longer brings in the necessary foreign currency.

Bank of Danzig to Pay Only in Blocked Gulden

Foreign Investors Drawn Into Nazi Campaign

DANZIG, July 3 (A. P.).—The Bank of Danzig announced today that henceforth it would pay interest and amortization charges on foreign loans to the Free City only in blocked gulden—like Germany's dealings with blocked marks. Foreign observers expressed the opinion that the bank had been influenced somewhat in this decision by the Nazi campaign to unite the Free City politically with Germany.

The decision affected largely American, British and Netherlands investors. The bank announced that the loans affected by the decision totaled 120,000,000 gold gulden—something over \$30,000,000.

The blocked gulden in which loan payments will now be made may not be converted into foreign currency or taken out of the Danzig Free State. Investors will receive certificates on Danzig devisa banks for the amounts due to them.

American investors hold the 1927 Danzig Harbor Board loan (Wall Street circles estimated there probably were not more than about \$3,500,000, face value, of these bonds outstanding in the United States).

Bank officials insisted there was no discrimination against foreign lenders, pointing out that interest payments to domestic investors had been subject to limitations since last April.

In a long explanation of the circumstances, the bank said the chief reason for the newest limitation was economic reverses suffered by Danzig since the new Polish harbor of Gdynia started serious competition. Gdynia lies at the head of the Polish Corridor, near Danzig.

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Wall Street Estimates

Loss At \$3,500,000

New York, July 3 (AP)—Wall Street circles estimated today there probably were not more than around \$3,500,000, face value, of Danzig Port and Waterways Board 6½ per cent bonds of '52 outstanding in the United States—the dollar issue affected by the Bank of Danzig's blocking of interest payments and amortization service on the Free City's loans.

Of the original offering of \$4,500,000, face value, of Danzig port 6½s in 1927, \$1,500,000 were withdrawn immediately for issue in the Netherlands through Dutch investment banking firms.

\$980,500 Retired

Since then at least \$980,500, face value, of the bonds have been retired, financial manuals show.

Payments of interest on the issue had been lagging recently. Only part of the semi-annual coupon of \$32.50 per \$1,000 bond was paid last January, and July 1 interest, due last Saturday, went unpaid, bankers said.

The Danzig port 6½s are listed in the New York Curb Exchange, but were not traded today. A transfer was made last week, however, at a price of

\$292.50 per \$1,000 bond. The 1939 high price was \$351.25, and the low \$245.

Press In Sofia Warns

Against 'Entanglement'

Sofia, Bulgaria, July 3 (AP)—George Kiosseivanoff, Bulgarian Prime Minister, entrained tonight for an official visit to Berlin while the Bulgarian press cautioned against any "entanglement in the conflict of the great powers."

Kiosseivanoff is scheduled to confer with Reichsführer Hitler, Field Marshal General Hermann Wilhelm Goering and Joachim von Ribbentrop, German Foreign Minister, during his three-day stay.

Informed circles predicted the question of a closer political understanding between Germany and Bulgaria would be broached.

Yugoslavia's Foreign Minister, Alexander Cincin-Markovich, will visit with Kiosseivanoff when the Prime Minister stops over briefly at Belgrade tomorrow morning.

Nazis Put 5 Czech Cities Back in Prewar Status

Germans to Control Them, as Under Hapsburg Rule

PRAGUE, July 3 (AP).—Baron Konstantin von Neurath, Reich Protector of Bohemia and Moravia, decreed tonight the removal of five city governments to "make amends for measures taken twenty years ago by the Czech regime."

The governments of the cities of Budweis, Brunn, Iglau, Maehrisch-Ostrau and Olmuetz were dissolved, effective immediately, and government commissioners appointed to take charge.

Czech quarters said the decree was designed to re-establish the pre-war status of four of the cities concerned. Before the World War, the territory which later formed Czecho-Slovakia was part of the Austro-Hungarian empire. Excepting Budweis, the five cities then were controlled by Germans, this being possible because votes were allotted according to the amount of taxes each voter paid.

In 1918, when the Czechs joined the Slovaks to establish their republic, they took control of the five cities by introducing a democratic system of voting. According to the latest census only 20 per cent of the population of the five cities was German.

As a result of the new measure, Czechs said, the 250,000 Germans in the protectorate control the most important cities in Moravia. Four of the five cities are in that province. Budweis is in Bohemia.

Ex-King Zog Reported Remaining in Bucharest

BUCHAREST, July 3 (A. P.).—Tension in the Free City of Danzig was reliably reported today to have caused exiled King Zog of Albania to postpone his departure from here for France.

The King and Queen Geraldine arrived here yesterday en route to a French haven from Turkey, and they had planned to continue today by way of Gdynia, Polish Baltic port adjacent to Danzig.

Mass Exodus Started
From Hatay Republic
Over 20,000 Arabs and Armenians
Leave Alexandretta As Result
Of Cession To Turkey
Damasus, Syria, July 3 (AP).—A mass exodus of Arabs and Armenians has started from the former republic of Hatay as a result of its cession to Turkey by France June 23.
More than 20,000 men, women and children have left the Alexandretta area for Aleppo and Lebanon.
The Turkish Government gave inhabitants of the territory the right today to choose Syrian citizenship and leave within six months.
Emigration was made subject to liquidation of movable property and registration of foreign money.
New decrees prohibited withdrawal of unregistered funds.

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Danzig Worth a War, Says English Press; Issue Held Vital to Poland and Empire

Unanimity Revealed in Shaping of Public Opinion

LONDON, July 3 (AP).—With conspicuous unanimity the British press has sought to convince public opinion at home—and in Germany—that Danzig is worth a war and involves a vital issue both to Poland and the British Empire.

At the same time some sections of the press attributed reports of a projected Nazi coup in the Free City during the last week end to a German attempt to test British and French firmness in "a war of nerves."

There was speculation whether the British-French barrage of warnings had any effect in postponing or averting a crisis over Danzig.

But memory of the situation in May, 1938, four months before the Czecho-Slovak crisis, dampened any feeling of optimism in British circles.

At that time rumors swept Europe that Germany planned a swift coup to bring the Sudetenland into the Reich. Britain and France responded with military precautions and warnings. The result encouraged feeling in some quarters that Hitler had been "frightened off."

Crisis Only Put Off

Yet the crisis came later, in September, and the Munich conference enabled Hitler to achieve dismemberment of Czecho-Slovakia.

That dismemberment formed the keynote of today's explanations of why Danzig is so vital alike to Poland and Britain.

Danzig in Brief

The Free City of Danzig:
Population — 407,000 (preponderantly German).

Area—754 square miles.

Formerly part of German East Prussia, the Free City was established November 15, 1920, under the Treaty of Versailles, to create a seaport for Poland. It is on the Baltic Sea, with the Polish Corridor to the west, Poland to the south and East Prussia to the east. The Vistula River, coming from the Polish hinterland, runs through the territory and empties into the Baltic.

It is under the protection of the League of Nations and Poland's rights in the Free City are purely economic. The harbor and waterways are administered by a commission of five members each from Poland and Danzig, with a president who must be of Swiss nationality.

The similarity of all these explanations indicated they were a part of a British preparedness campaign.

The public was told that Hitler was not interested in Danzig merely because it was a German city but for strategic reasons. He wants it, the British press said with one voice, because it would give him a stranglehold on Poland and enable him to dismember that country the same way he broke up Czecho-Slovakia.

The fate of the latter republic was pointed to as proof that Hitler's claims of "self-determination" for

Testing of England's Firmness Seen in Nazi Threats

the Sudetenland were used only as a means to an end.

As for Danzig, British writers recalled the words of Frederick the Great that whoever holds the mouth of the Vistula River is more a master of Poland than her own government.

Editorial and political writers said Danzig was important for Britain because it had become the crux of British foreign policy and a decisive point for the British-French front.

J. L. Garvin, editor of Lord Astor's Sunday Observer and one-time leading advocate of appeasement for Germany, put the issue this way:

"If Britain shirked the first test and bled her pledges, no one in the world would believe that we had the guts for any test. Our name would smell. Our diplomatic connections would dissolve. Our reputation would perish. We should be counted out of the rank of real great powers."

"Ascendancy in Europe, Africa and Asia would belong to the Axis Alliance and its confederates."

The press also emphasized that any attempt to change the status of Danzig without Poland's consent—whether from within or without—would, in the words of the Manchester Guardian, "be another breach of international agreements, another repudiation of peaceful methods in favor of force and indeed another act of aggression."

DANZIG COMMISSION BUT THE QUESTION OF A FORMAL PROTEST WAS REFERRED TO WARSAW.

THE FREE CITY LIES WITHIN THE POLISH CUSTOMS ADMINISTRATION AND CUSTOMS CONTROL LONG HAS BEEN SUBJECT TO DISPUTE.

WHEN THE FREE STATE WAS ORGANIZED PROVISION WAS MADE FOR A LIMITED NUMBER OF POLISH INSPECTORS TO SERVE ON THE DANZIG BORDER.

DANZIG, UNDER NAZI INFLUENCE, LATELY HAS HELD THAT THE POLISH INSPECTORS WERE TO DO NOTHING MORE THAN HANDLE RECORDS IN THE CUSTOMS OFFICES AND THAT ACTUAL INSPECTION BY THEM MUST CEASE.

GROWING OUT OF THIS THERE HAVE BEEN POLISH CHARGES THAT THERE IS NO EFFECTIVE INSPECTION TO PROTECT THE POLISH INTEREST AND A DANZIG CHARGE THAT THE POLISH INSPECTORS WERE SPIES WHOSE CHIEF PURPOSE WAS TO REPORT WHETHER ARMS WERE SENT INTO THE FREE CITY.

LONDON, JULY 3

CONTINUING, THE PAPER SAID "COULD NOT DIFFER IN KIND FROM GERMAN ANNEXATIONS OF AUSTRIA, CZECHO-SLOVAKIA AND MENDEL, FOR WHAT IS AN ACT OF AGGRESSION IF IT IS NOT AN ATTEMPT TO CHANGE THE STATUS QUO BY FORCE WITHOUT THE CONSENT AND AGAINST THE WILL OF THOSE COUNTRIES CHIEFLY CONCERNED?"

LAST WEEK'S SPEECH BY LORD HALIFAX, THE FOREIGN SECRETARY, WAS PRAISED WIDELY IN THE PRESS AS A FORCEFUL EXPRESSION OF BRITAIN'S DETERMINATION "TO RESIST AGGRESSION."

THE LIBERAL NEWS CHRONICLE SAID "THAT WARNING COULD HAVE BEEN DRIVEN HOME IN A WAY WHICH EVEN BERLIN'S WISHFUL THINKING COULD HARDLY HAVE MISTAKEN IF THE PRIME MINISTER HAD TAKEN THE OPPORTUNITY LAST NIGHT TO STATE IN BLUNT LANGUAGE THAT LORD HALIFAX' WARNING OF LAST WEEK APPLIES TO ANY ACT AIMED AT ALTERING THE STATUS OF DANZIG. THE CHOICE BETWEEN PEACE AND WAR MAY HANG ON SUCH BLUNTNESS."

IT WAS SAID THAT POLISH INITIATIVE IN DEVELOPING GDYNIA WAS A SEVERE ECONOMIC BLOW. THE BANK ALSO CONTENDED THAT A POLISH "BOYCOTT" OF DANZIG ENTERPRISE WAS A CONTRIBUTORY CAUSE.

ONE BANK OFFICIAL OBSERVED THAT THE THREE NATIONS TO SUFFER MOST BY THE BLOCKING OF INTEREST AND PRINCIPAL PAYMENTS WERE POOR CUSTOMERS OF DANZIG ALTHOUGH EACH, HE SAID, MIGHT HAVE HELPED THE FREE CITY ECONOMICALLY BY PATRONIZING DANZIG'S SHIPBUILDING WORKS.

THE REPORT THAT CUSTOMS MEN WERE ACKNOWLEDGING NATIONAL SOCIALIST LEADERSHIP AROUSED UNEASINESS IN THE OFFICES OF THE POLISH

INSTEAD, CHAMBERLAIN SAID IN A BROADCAST SPEECH:

"LET NO ONE MAKE THE MISTAKE OF SUPPOSING THAT WE ARE NOT READY TO THROW OUR WHOLE STRENGTH INTO THE SCALE, IF NEED BE, TO RESIST AGGRESSION WHETHER AGAINST OURSELVES OR AGAINST THOSE WHOSE INDEPENDENCE WE HAVE UNDERTAKEN TO DEFEND."

EVEN DAVID LOW, FAMOUS POLITICAL CARTOONIST OF LORD BEAVERBROOK'S EVENING STANDARD, WHO USUALLY BELITTLES BRITISH STATESMANSHIP, CAME OUT TODAY WITH A CARTOON IN STRIKING ACCORD WITH THE WHOLE PRESS CAMPAIGN.

IT PICTURED A LARGE OUTSTRETCHED FIST UNDER WHICH WAS CHAMBERLAIN WITH A SIGN SAYING "WE CANNOT REMAIN UNMOVED." IN FRONT OF HIM WAS LORD HALIFAX SAYING "WE SHALL RESIST."

ON THE FIST IN BOLD LETTERS WERE THE WORDS "WE SHALL FIGHT," WITH ADOLF HITLER, GERMAN FOREIGN MINISTER JOACHIM VON RIBBENTROP, AIR MINISTER MARSHAL HERMANN WILHELM GOERING AND PROPAGANDA MINISTER PAUL JOSEPH GOEBBELS CRINGING BACK IN DISMAY.

DESPITE ALL THIS, HOWEVER, THE BRITISH PUBLIC WENT ABOUT ITS WORK CALMLY. THERE WERE NO CROWDS IN DOWNING STREET SUCH AS DURING THE SEPTEMBER CRISIS. AND CRICKET MATCHES STILL PLAYED TO HUGE CROWDS.

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ASO (NYC OUT)

BY DEWITT MACKENZIE

ASSOCIATED PRESS FOREIGN AFFAIRS WRITER

NEW YORK, JULY 3--OVER IN PARIS IN AN UNPRETENTIOUS OFFICE IN THE INVALIDES, UNDER THE VAST DOME OF WHICH SLEEPS THE LITTLE CORPORAL, THERE SITS A QUIET MAN OF 66 WHO LIKELY WOULD BECOME THE MOST POWERFUL MILITARY FIGURE OF HIS TIME IN EVENT OF WAR.

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PRECEDE LONDON DAY

PARIS, JULY 3-(AP)--PREMIER DALADIER WHO ALSO IS MINISTER OF NATIONAL DEFENSE CONFERRED TONIGHT WITH BRITISH WAR SECRETARY LESLIE HORE-BELISHA.

THE BRITON WAS HONOR GUEST AND THE PREMIER A GUEST AT AN INTIMATE DINNER GIVEN BY BRITISH AMBASSADOR SIR ERIC PHIPPS AT THE EMBASSY. HORE-BELISHA CAME TO PARIS TODAY, OSTENSIBLY ON A SOCIAL VISIT.

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THAT'S GENERAL MAURICE GASTLIN, WHO NOT ONLY DIRECTS ALL FRANCE'S DEFENSIVE FORCES--LAND, SEA AND AIR--BUT REPORTEDLY IS SLATED TO ASSUME SUPREME COMMAND OF THE ALLIED FRENCH AND BRITISH ARMIES--AND THOSE OF ANY OTHER NATIONS WHICH MIGHT JOIN THEM--IF THERE IS AN UPEHAVAL.

THIS FIGHTING-MAN THUS WOULD STAND AS A SYMBOL OF THE SUBORDINATION OF THAT PRIDE IN PERSONAL MARTIAL ACHIEVEMENTS WHICH HAS BEEN MAN'S SINCE THE BEGINNING OF TIME. THE SOLDIER, THE COMPANY, THE REGIMENT, THE ARMY, NO LONGER RECORD THEIR TRIUMPHS AS INDIVIDUAL OR EVEN NATIONAL--THEY ARE "ALLIED." THE THREE MUSKETEERS ARE OMNIPOLITES THESE DAYS.

THIS REVOLUTIONARY IDEA OF A UNIFIED COMMAND WAS BORN AMIDST IVINGS AND HEART-BURNINGS ALMOST EXACTLY TWENTY-ONE YEARS AGO & THE WORLD WAR. THEN FOR THE COMMON GOOD, PERSONAL AND NATIONAL AMBITIONS WERE TOSSED INTO THE GENERAL POOL.

FRANCE'S FIELD MARSHAL FOCH WAS THE ONE SELECTED FOR THIS TREMENDOUS RESPONSIBILITY. ANSWERABLE TO HIM WERE SUCH VETERAN LEADERS AS FIELD MARSHAL HAIG, ENGLAND'S COMMANDER IN CHIEF, AND

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BY DEWITT MACKENZIE

ASSOCIATED PRESS FOREIGN AFFAIRS WRITER

NEW YORK, JULY 3--OVER IN PARIS IN AN UNPRETENTIOUS OFFICE IN THE INVALIDES, UNDER THE VAST DOME OF WHICH SLEEPS THE LITTLE CORPORAL, THERE SITS A QUIET MAN OF 66 WHO LIKELY WOULD BECOME THE MOST POWERFUL MILITARY FIGURE OF HIS TIME IN EVENT OF WAR.

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PRECEDE LONDON DAY

PARIS, JULY 3-(AP)--PREMIER DALADIER WHO ALSO IS MINISTER OF NATIONAL DEFENSE CONFERRED TONIGHT WITH BRITISH WAR SECRETARY LESLIE HORE-BELISHA.

THE BRITON WAS HONOR GUEST AND THE PREMIER A GUEST AT AN INTIMATE DINNER GIVEN BY BRITISH AMBASSADOR SIR ERIC PHIPPS AT THE EMBASSY. HORE-BELISHA CAME TO PARIS TODAY, OSTENSIBLY ON A SOCIAL VISIT.

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THAT'S GEN. MAURICE GASTLIN, WHO NOT ONLY DIRECTS ALL FRANCE'S DEFENSIVE FORCES--LAND, SEA AND AIR--BUT REPORTEDLY IS SLATED TO ASSUME SUPREME COMMAND OF THE ALLIED FRENCH AND BRITISH ARMIES--AND THOSE OF ANY OTHER NATIONS WHICH MIGHT JOIN THEM--IF THERE IS AN UPEHAVAL.

THIS FIGHTING-MAN THUS WOULD STAND AS A SYMBOL OF THE SUBORDINATION OF THAT PRIDE IN PERSONAL MARTIAL ACHIEVEMENTS WHICH HAS BEEN MAN'S SINCE THE BEGINNING OF TIME. THE SOLDIER, THE COMPANY, THE REGIMENT, THE ARMY, NO LONGER RECORD THEIR TRIUMPHS AS INDIVIDUAL OR EVEN NATIONAL--THEY ARE "ALLIED." THE THREE MUSKETEERS ARE COSMOPOLITES THESE DAYS.

THIS REVOLUTIONARY IDEA OF A UNIFIED COMMAND WAS BORN AMIDST VIVINGS AND HEART-BURNINGS ALMOST EXACTLY TWENTY-ONE YEARS AGO AT THE WORLD WAR. THEN FOR THE COMMON GOOD, PERSONAL AND NATIONAL AMBITIONS WERE TOSSED INTO THE GENERAL POOL.

FRANCE'S FIELD MARSHAL FOCH WAS THE ONE SELECTED FOR THIS TREMENDOUS RESPONSIBILITY. ANSWERABLE TO HIM WERE SUCH VETERAN LEADERS AS FIELD MARSHAL HAIG, ENGLAND'S COMMANDER IN CHIEF, AND

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OUR OWN GENERAL PERSHING.

THE EXPERIMENT WAS POTENTIALLY DANGEROUS, PERHAPS, FOR IT ISN'T HUMAN NATURE FOR SOLDIERS--EITHER OFFICERS OR MEN--TO LIKE TO TAKE THEIR ORDERS FROM A FOREIGN TONGUE, OR YET TO SHARE THE GLORY OF THEIR VICTORIES WITH WARRIORS OF OTHER LANDS. I WAS ATTACHED TO BRITISH GENERAL HEADQUARTERS IN FRANCE AT THE TIME AS ASSOCIATED PRESS WAR CORRESPONDENT, AND KNOW THAT AT THE OUTSET THERE WAS CONSIDERABLE MISGIVING AMONG THE VARIOUS NATIONALITIES SCATTERED UP AND DOWN THE ENDLESS ALLIED BATTLE-LINE.

STILL EVERYBODY RECOGNIZED THE NEED OF UNITY, FOR THE GERMANS HAD BEEN CUTTING THROUGH THE ALLIED FORCES. THAT WAS THE TIME WHEN HAIG ISSUED HIS FAMOUS "BACKS TO THE WALL" ORDER OF THE DAY, TO GIVE HIS TROOPS COURAGE TO WITHSTAND THE ONSLAUGHT.

HISTORY SAYS FOCH DID HIS JOB WELL. CERTAINLY HE INSPIRED MUCH ADMIRATION AND EVEN AFFECTION AMONG NOT ONLY FRANCE'S FORCES BUT THOSE OF THE ALLIES.

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AND NOW WE HAVE GAMELIN, FOR IN THE PRESENT EUROPEAN CRISIS ENGLAND AND FRANCE DECIDED ON COORDINATION IN ADVANCE OF EVENTUALITIES. A LOT OF FOLK SAY HE IS THE GREATEST ACTIVE SOLDIER OF HIS TIME, AND IN ANY EVENT HE CERTAINLY IS ONE OF THEM.

GAMELIN HAS HAD A BRILLIANT RECORD EVER SINCE HE STARTED OUT AS A MILITARY STUDENT AT SAINT CYR, THE FRENCH WEST POINT. HE WENT INTO THE WORLD WAR AS A MAJOR AND CAME OUT A GENERAL OF DISTINCTION.

IT WAS HE WHO DREW UP FOR FRENCH COMMANDER IN CHIEF JOFFRE THE ORDERS FOR THE HISTORIC BATTLE OF THE MARNE. INDEED, IT WAS GAMELIN

WHO QUIETLY NAMED IT THE "BATTLE OF THE MARNE" WHEN OTHERS WERE FLOUNDERING ABOUT WITH HIGH-SOUNDING DESIGNATIONS.

IN 1919 HE WENT TO BRAZIL WHERE HE REMAINED FOUR YEARS, ORGANIZING A MODERN ARMY WHICH NOW RANKS AMONG THE BEST OF SOUTH AMERICA. THEN HE SUPPRESSED THE BLOODY DRUSE REBELLION IN SYRIA WITH A SERIES OF NOTABLE OPERATIONS. AND SO ON TO HIS PRESENT GREAT POSITION.

GAMELIN IS FAMOUS FOR HIS PRODIGIOUS MEMORY. THIS INCLUDES THE TRICK OF STOWING AWAY IN HIS MIND A PHOTOGRAPHIC IMPRESSION OF ANY TERRAIN OVER WHICH HE PASSES. HE ALSO HAS SUCH A PENCHANT FOR THE STUDY OF MAPS THAT ALL HIS LIFE HE HAS BEEN CALLED "MAP CRAZY." THEY SAY HE HAS IN HIS AMAZING HEAD THE EXACT TOPOGRAPHY OF SOME COUNTRIES WHICH HE HAS NEVER EVEN VISITED.

OH YES, AND THE COMMANDER'S PRIVATE LIFE IS CHIEFLY LIMITED TO "QUIET EVENINGS AT HOME" WITH HIS WIFE. JUL 4 1939

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BRITISH OFFICIAL SOURCES SAID THE NETHERLANDS HAD SENT BRITAIN A NOTE EXPRESSING OBJECTIONS TO BEING GIVEN SPECIFIC GUARANTEES IN THE PROJECTED PACT.

THE NOTE WAS UNDERSTOOD TO HAVE BEEN THE RESULT OF REPORTS THAT BRITAIN'S LATEST PROPOSALS TO MOSCOW PROVIDED FOR THREE-POWER GUARANTEES TO SWITZERLAND, BELGIUM AND THE NETHERLANDS IF RUSSIA INSISTED ON DEMANDING SIMILAR GUARANTEES FOR THE BALTIC STATES.

THE NETHERLANDS' OBJECTION WAS SAID TO BE BASED ON FEAR THAT INCLUSION OF HER NAME IN THE PACT MIGHT JEOPARDIZE HER TRADITIONAL POLICY OF NEUTRALITY.

THERE HAS BEEN ETC., AS BEFORE.

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THERE HAS BEEN SPECULATION OVER WHETHER BRITAIN, FRANCE AND POLAND WOULD COMPLAIN TO THE LEAGUE THAT NAZI ACTIVITIES IN DANZIG CONTRAVENED THE FREE CITY'S CONSTITUTION, WHICH PROHIBITS MILITARIZATION OF THE CITY WITHOUT THE LEAGUE OF NATION'S CONSENT.

PRIME MINISTER CHAMBERLAIN TOLD THE HOUSE OF COMMONS YESTERDAY THAT HE HAD RELIABLE REPORTS INDICATING "INTENSIVE" MILITARY ACTIVITY IN DANZIG, WHICH EXISTS AS A FREE CITY UNDER THE LEAGUE'S PROTECTION.

IF THE LEAGUE COULD ESTABLISH THAT SUCH ACTIVITIES MENACED DANZIG COULD CALL ON POLAND ALONE OR WITH OTHER POWERS TO PROTECT DANZIG AGAINST THEM.

ALTHOUGH BRITISH AND FRENCH DIPLOMATS IN MOSCOW YESTERDAY RECEIVED RUSSIA'S ANSWER TO THEIR LATEST PROPOSAL FOR A THREE-POWER MUTUAL ASSISTANCE PACT, ITS DETAILS WERE UNDISCLOSED.

THE TIENTSIN DISPUTE WITH JAPAN, OBSERVERS SAID, WAS LIKELY TO BE AGGRAVATED BY THE ARREST IN TIENTSIN YESTERDAY OF A BRITON, EDWARD THEODORE GRIFFITHS, ALLEGEDLY FOR INSULTING JAPANESE SOLDIERS.

LONDON, JULY 4-(AP)-THE FOREIGN AFFAIRS COMMITTEE OF THE BRITISH CABINET HEARD A PERSONAL REPORT TODAY FROM SIR HOWARD WILLIAM KENNARD, AMBASSADOR TO POLAND, ON THE DANZIG SITUATION IN A LENGTHY MEETING IN WHICH BOTH EUROPEAN AND FAR EASTERN PROBLEMS WERE CONSIDERED.

THE CABINET EXPECTS TOMORROW TO GET A FIRST-HAND SUMMARY OF GERMAN VIEWS FROM SIR NEVILLE HENDERSON, AMBASSADOR TO BERLIN, WHO WAS SCHEDULED TO ARRIVE TONIGHT (CORRECT) FROM BERLIN.

COUNT EDWARD RACZYNSKI, POLISH AMBASSADOR TO LONDON, HAD A LONG TALK LAST NIGHT WITH FOREIGN SECRETARY LORD HALIFAX AND LEFT BY AIRPLANE TODAY FOR WARSAW, WHERE HE WAS TO REPORT TO HIS GOVERNMENT ON THE SITUATION. HE EXPECTED TO RETURN HERE IN TWO OR THREE DAYS.

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THE FOREIGN AFFAIRS COMMITTEE DISCUSSED DEVELOPMENTS IN TIENTSIN, WHERE JAPANESE IMPOSED A BLOCKADE ON THE BRITISH AND FRENCH CONCESSIONS JUNE 14, AND CONSIDERED A SUMMARY BY SIR WILLIAM SEEDS, AMBASSADOR TO MOSCOW, OF YESTERDAY'S CONVERSATION WITH SOVIET RUSSIAN OFFICIALS REGARDING THE PROPOSED BRITISH-FRENCH-SOVIET MUTUAL ASSISTANCE PACT.

(RU HV DNB OUT)

BERLIN, JULY 4-(AP)-ECONOMICS MINISTER WALTHER FUNK DEPARTED FOR THE NETHERLANDS TONIGHT TO DISCUSS A NEW GERMAN-NETHERLANDS TRADE TREATY.

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PARIS, JULY 4-(AP)-FRANCE WAS REPORTED TONIGHT TO HAVE DRAFTED A NEW SET OF PROPOSALS TO BE SUBMITTED TO MOSCOW AS THE LATEST BRITISH-FRENCH EFFORT TO BRING SOVIET RUSSIA INTO A THREE-POWER MUTUAL ASSISTANCE AGREEMENT.

(SOVIET SOURCES IN LONDON INDICATED THAT AGREEMENT ALREADY HAD BEEN REACHED ON ALL MAJOR POINTS AND THAT ONLY SMALL ISSUES REMAINED TO BE IRONED OUT.)

THE FRENCH PLAN, SOURCES CLOSE TO THE FOREIGN MINISTRY SAID, WILL BE SENT TO CHARLES CORBIN, FRENCH AMBASSADOR TO LONDON, FOR DISCUSSION WITH BRITAIN BEFORE FURTHER STEPS ARE TAKEN IN MOSCOW.

BY LYNN KENNEDY

BERLIN, JULY 4--(AP)--ADOLF HITLER, BACK IN HIS CHANCELLERY AFTER SEVERAL WEEKS OF REST IN HIS MOUNTAIN HOME, LET THE BEST OF THE WORLD WORRY ABOUT DANZIG TODAY WHILE OSTENSIBLY SHIFTING HIS ATTENTION TO SOUTHEASTERN NEIGHBORS.

WHILE TWO HUNGARIAN AND BULGARIAN LEADERS WERE ENROUTE HERE FOR DISCUSSIONS AND ENTERTAINMENTS, NAZI EDITORIAL WRITERS SHOT BARBS OF RIDICULE AT FOREIGN REPORTS OF A "PUTSCH IN DANZIG THAT DID NOT TAKE PLACE" AND AT "ALARM REPORTS" IN THE FRENCH, BRITISH AND POLISH PRESS.

GENERAL HENRY WERTH, CHIEF OF THE GENERAL STAFF OF THE HUNGARIAN ARMY, WHO IS ARRIVING IN BERLIN TONIGHT FOR A VISIT OF SEVERAL DAYS, WILL ATTEND GERMAN ARMY MANEUVERS AND INSPECT FORTIFICATIONS.

PRIME MINISTER GEORGE KIOSSEIVANOFF OF BULGARIA IS DUE IN BERLIN TOMORROW FOR A ROUND OF FESTIVITIES AND DISCUSSIONS THAT ARE TO RIVAL THOSE HELD FOR PRINCE PAUL, A REGENT OF YUGOSLAVIA, DURING WHOSE FIVE-DAY VISIT BEGINNING JUNE 1 HITLER GUARANTEED YUGOSLAV BORDERS.

NAZI LEADERS AND NEWSPAPERS SCOFFED AT THOSE WHO PREDICTED A NAZI PUTSCH IN THE FREE CITY OF DANZIG LAST WEEK END. AN AUTHORIZED SPOKESMAN DECLARED THAT "GERMANY HAS NO INTENTION OF FORCING THE ISSUE" WITH POLAND OVER DANZIG AND THAT "WE HAVE NO DESIRE TO GO AGAINST THE TERRITORIAL INTEGRITY OF POLAND; IF WE HAD WANTED TO LET THE MATTER COME TO MILITARY ACTION WE COULD HAVE DONE SO ANY DAY."

KIOSSEIVANOFF AND HIS WIFE AND DAUGHTER ARE TO ARRIVE TONIGHT ON GERMAN SOIL AT ROSENBACH TO BE GREETED BY DIPLOMATIC OFFICIALS AND NAZI FORMATIONS. AN EVEN MORE IMPRESSIVE WELCOME AWAITS THEM AT A BERLIN RAIL STATION TOMORROW.

HITLER'S UNEXPECTED RETURN FROM HIS BERCHTESGADEN CHALEY, WHERE HE WENT JUNE 7, SHOWED THE IMPORTANCE ATTACHED TO THE BULGARIAN PREMIER'S VISIT, WHICH ONE NAZI SAID WAS "AN INDICATION THAT MORE AND MORE IT IS BEING RECOGNIZED THAT POLITICAL HOPES--NOT TO MENTION ECONOMIC ONES--CAN ONLY BE REALIZED THROUGH COLLABORATION WITH GERMANY."

NAZI LEADERS ARE EXPECTED TO EXPRESS THEMSELVES SYMPATHETICALLY OVER BULGARIAN HOPES FOR REVISING THE NOVEMBER, 1919, TREATY OF NEUILLY, UNDER WHICH BULGARIA CEDED SOME OF HER WESTERN TERRITORY TO YUGOSLAVIA AND LARGER SECTIONS TO GREECE AND RUMANIA.

NAZIS ALSO WERE THOUGHT TO BE ANXIOUS TO LEAVE NOTHING UNDONE TO DRAW BULGARIA MORE FIRMLY INTO THE NAZI ORBIT. BULGARIA ALREADY DOES MOST OF HER TRADING WITH GERMANY AND IS CONSIDERED FRIENDLY TO GERMANY ALTHOUGH ARDENT NAZIS BELIEVE SHE HAS TOO MUCH FRENCH CULTURAL INFLUENCE.

AS SUPREME COMMANDER OF GERMAN ARMED FORCES, HITLER AND HIS FIRST AIDE, FIELD MARSHAL HERMANN WILHELM GOERING, YESTERDAY INSPECTED THE AIR FORCE TESTING STATION AT RECHLIN. THE NEWSPAPER DOERSEN-ZEITUNG SAID THE CHANCELLOR "REPEATEDLY GAVE HER HIGHEST PRAISE AND RECOGNITION OF THE HIGH ACCOMPLISHMENTS OF GERMAN AIRPLANE TECHNIQUE AND FLYING ABILITY OF THE GERMAN AIR FORCE."

AT THE SAME TIME ABOUT 10,000 RECONNOITERING TROOPS WERE TESTING THE GERMAN ARMY'S INTELLIGENCE SYSTEM, AS IF IN BATTLE, NEAR BAD WILDUNGEN. IT WAS SAID TO BE THE GREATEST MANEUVER OF THIS TYPE EVER CARRIED OUT BY AN ARMY, AND THE TECHNICAL APPARATUS USED WAS DESCRIBED IN DISPATCHES AS "THE BEST IN THE WORLD, AS THE SPANISH WAR SHOWED."

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BY ALVIN J. STEINKOPF

FREE CITY OF DANZIG, JULY 4--(AP)--POLISH CHARGES AND DANZIG COUNTER-CHARGES GREW IN BITTERNESS TODAY FOLLOWING REPORTS AMONG POLES THAT FREE CITY CUSTOMS OFFICIALS WERE GIVING PLEDGES OF LOYALTY TO "THE NATIONALIST SOCIALIST (NAZI) LEADERSHIP OF THE STATE."

POLISH ACCUSATIONS WERE THAT EFFECTIVE CUSTOMS INSPECTION TO PROTECT POLISH INTERESTS HAD CEASED. A DANZIG CHARGE WAS THAT POLISH INSPECTORS WERE ENGAGED IN ESPIONAGE AND THAT THEIR CHIEF PURPOSE WAS TO REPORT WHETHER ARMS WERE BEING BROUGHT INTO DANZIG.

THE POLISH ANSWER WAS THAT NO ESPIONAGE COULD BE CARRIED ON IN ANY EVENT BECAUSE POLISH CUSTOMS INSPECTORS WERE NOT ON DUTY THE ENTIRE DAY NIKSUKLAT MOST DO

ANY EVENT BECAUSE POLISH CUSTOMS INSPECTORS WERE NOT ON DUTY THE ENTIRE DAY AND, AT MOST BORDER STATIONS, NOTHING PREVENTED DANZIG OFFICIALS FROM BRINGING IN UNCONTROLLED ARMS SHIPMENTS AT NIGHT.

FOREIGN OBSERVERS, MEANWHILE, ATTRIBUTED TO THE NAZI CAMPAIGN TO UNITED DANZIG POLITICALLY WITH GERMANY AN ANNOUNCEMENT BY THE BANK OF DANZIG THAT IT HENCEFORTH WOULD PAY INTEREST AND AMORTIZATION CHARGES ON FOREIGN LOANS TO THE FREE CITY ONLY IN BLOCKED GULDEN. GERMANY DOES THE SAME THING WITH BLOCKED MARKS.

THE LOANS AFFECTED, THE BANK ANNOUNCED, TOTAL 120,000,000 GOLD GULDEN (ABOUT \$30,000,000), OF WHICH AMERICAN INVESTORS HOLD THE 1927 DANZIG HARBOR BOARD LOAN. (WALL STREET CIRCLES ESTIMATED THERE PROBABLY WERE NOT MORE THAN ABOUT \$3,500,000, FACE VALUE, OF THESE BONDS OUTSTANDING IN THE UNITED STATES.)

THE BLOCKED GULDEN MAY NOT BE CONVERTED INTO FOREIGN CURRENCY OR TAKEN OUT OF DANZIG. INVESTORS ARE TO GET CERTIFICATES ON DANZIG FOREIGN EXCHANGE BANKS FOR AMOUNTS DUE THEM. THE BANK SAID THE DEVELOPMENT OF THE POLISH HARBOR AT Gdynia HURT DANZIG ECONOMICALLY AND THAT A POLISH "BOYCOTT" OF DANZIG BUSINESS WAS A CONTRIBUTORY CAUSE.

UNDER LEAGUE OF NATIONS REGULATIONS, DANZIG CUSTOMS OFFICIALS MUST FULFILL CERTAIN OBLIGATIONS TO THE POLISH FINANCE MINISTRY, BECAUSE DANZIG IS WITHIN THE POLISH CUSTOMS ADMINISTRATION. THE REPORT THAT THE DANZIG OFFICIALS WERE ACKNOWLEDGING NAZI LEADERSHIP AROUSED UNEASINESS IN THE POLISH DANZIG COMMISSION. THE QUESTION OF A FORMAL PROTEST WAS REFERRED TO WARSAW.

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(ADVANCE) CHALONS-SUR-MARNE, FRANCE, JULY 4--(AP)--UNITED STATES AMBASSADOR WILLIAM C. DULLETT DECLARED TODAY THAT THE AMERICAN AND FRENCH PEOPLES BELIEVE "HUMAN BEINGS ARE ENDS IN THEMSELVES, AND NOT INSTRUMENTS TO BE EMPLOYED BY THE WILL OF A POWERFUL INDIVIDUAL."

DULLETT SPOKE AT THE UNVEILING OF A PLAQUE IN THE CITY HALL COMMEMORATING THE SELECTION HERE IN 1921 OF THE UNKNOWN SOLDIER WHO NOW LIES IN ARLINGTON CEMETERY.

"IN HONORING THE UNKNOWN SOLDIER," DULLETT SAID, "WE HONOR NOT A MAN OR EVEN A RACE OF MEN, BUT HUMANITY. I X X ALL THE PROPAGANDA IN THE WORLD WILL NEVER WASH WHITE AGAIN THE HANDS OR THE SOUL OF A

MAN WHO WILLS IN EVIL TO FILL THE EARTH WITH UNKNOWN SOLDIERS.

"NATIONS WHICH BELIEVE AS DO THE AMERICANS AND FRENCH--THAT HUMAN BEINGS ARE ENDS IN THEMSELVES AND NOT INSTRUMENTS TO BE EMPLOYED BY THE WILL OF A POWERFUL INDIVIDUAL--NATURALLY SEEK TO ACHIEVE THEIR AIMS WITHOUT WAR."

HE THEN REQUOTED A PART OF PRESIDENT ROOSEVELT'S APRIL 14 PEACE APPEAL TO CHANCELLOR HITLER AND PREMIER MUSSOLINI.

SERGEANT EDWARD F. YOUNGER OF CHICAGO, WHO ON OCT. 24, 1921, PLACED A WREATH ON ONE OF FOUR COFFINS TAKEN FROM AMERICAN BATTLEFIELDS, SENT A MESSAGE WHICH READ:

"MY MEMORY OF THE PART I PLAYED IN LAYING A SPRAY OF WHITE ROSES ON THE THIRD COFFIN FROM THE LEFT--AND IN THUS HAVING A PART IN THE SELECTION OF THE UNKNOWN SOLDIER WHO WAS RECEIVING THE HONORS THAT MARK A NATION'S GRATEFULNESS FOR A DUTY WELL DONE--IS STILL FRESH AND PRECIOUS TO ME."

THE CEREMONY HERE WAS ONLY ONE OF THOSE IN FRANCE IN WHICH THE FRENCH TRICOLOR FLEW BESIDE THE STARS AND STRIPES IN HONOR OF AMERICAN INDEPENDENCE DAY.

MINISTER OF JUSTICE PAUL MARCHANDEAU, MINISTER OF PENSIONS AUGUSTE CHAMPETIER DE RIBES, AND GENERAL HENRI COURAUD, MILITARY GOVERNOR OF PARIS, REPRESENTED THE FRENCH GOVERNMENT AT THE UNVEILING.

GENERAL PERSHING WAS INVITED BUT HE WAS AT AIX EN PROVENCE.

AMERICAN CEREMONIES DOTTED REFLAGGED PARIS AND VERSAILLES. THOSE ON FRIDAY INCLUDED A PARADE OF AMERICAN VETERANS AND FR

IN PARIS INCLUDED A PARADE OF AMERICAN VETERANS AND FRENCH TROOPS FROM PERSHING HALL TO THE ARC DE TRIOMPHE, A CEREMONY AT LAFAYETTE'S TOMB, AND THE PLACING OF A WREATH AT THE FOOT OF GEORGE WASHINGTON'S STATUE IN THE PLACE D'IDEA.

SEND ADVANCE FOR IDE AT 6 A.M., E.S.T.

WEDAY, JULY 4.)

MASS REMOVAL OF GERMANS IN TYROL PLANNED

Rome-Berlin Scheme Ex-
pected To End All Nazi
Claims On Region

Step Taken In "Spirit Of
Mutual Confidence That
Marks Axis"

[By the Associated Press]
Berlin, July 4--The German and Italian governments were working out plans tonight for the wholesale removal of all inhabitants of German extraction who care to go from Italian South Tyrol to Germany, thus liquidating perhaps forever any German claim on that region.

Foreign Office officials said they expected "thousands of persons would take advantage of the offer."

Germany estimates about 200,000 Germans were in South Tyrol when it was sliced off the old Austro-Hungarian empire and given to Italy by the treaty of St. Germain at the close of the World War.

Some are German citizens. Others have been forced to become Italian citizens through Italian efforts to efface traces of one-time German ownership.

Details Not Completed
Details of the Nazi-Fascist accord

are not yet fully completed, but it was said they would include Italy's waiving of all citizenship claims on those who elect to go to Germany, and a financial and settlement scheme.

Individuals began moving their homes to Germany after it appeared clear that political collaboration of Germany and Italy precluded any chance of the territory returning to Germany within the near future.

Between 5,000 and 6,000 Germans were said to have returned already and to have found no difficulty getting work because of an acute labor shortage in Germany.

The movement became noticeable after Chancellor Adolf Hitler's visit to Premier Mussolini in May, 1938.

Foreswore All Claims

The Führer then turned to il Duce during a brilliant banquet in the Palazzo Venezia and solemnly fore-swore all claims on the region, which previously had been a bone of contention.

Many Germans in South Tyrol expressed themselves as "disappointed." Placing this emigration on an organized basis with active help of both governments, thus making it easier for anyone who wishes to live within greater Germany, was said to be the object of the present negotiations.

"It is being undertaken in the spirit of mutual confidence that marks the axis," a Foreign Office spokesman said.

"Barbarian Residue"

In pre-axis days Mussolini said the Teutonic Tyroleans were merely "the residue of barbarian invasions" but since the development of the axis Italian officials have dropped references to the "barbarians from the north."

The step was regarded by Nazis as "concrete evidence that Hitler meant what he said when he renounced claims on South Tyrol," and as "further proof to all who wish to know that Germany and Italy are allied in a spirit that enables them to settle their differences in a peaceful way."

Frequent complaints were aired before the axis came into being three years ago, when Italy sought for a friend following imposition of sanctions during the Ethiopian conquest. It was charged then that German culture was being systematically uprooted by Italy, but such complaints have not been heard since.

CLAIMS ROOSEVELT ADDS TO WAR RISK

Hoover, In Magazine Article,
Cites Danger In Govern-
ment Moves

Charges President Sits At
Table Where Power Poli-
tics Is Played

[By the Associated Press]
New York, July 4--Herbert Hoover asserts in a magazine article to be published tomorrow that President Roosevelt has brought the threat of war closer to this country by taking "a seat at the table where (international) power politics is being played." Writing in the current issue of the American Magazine, the former President says: "The dangers of our being dragged into war lie in these directions."

1. Foreign propaganda to inflame our emotions and to mold our minds to war.
2. Preachments of our own mistaken officials and citizens which, in effect, support these propagandas.
3. Steps taken by our own Government which, while denying that they are intended to take us into war, yet entangle us with these very controversies, the end of which may be war.

Calls For Definite Statement

To stay out of war, Hoover asserts, "the first thing required is vigorous, definite statement from all who have responsibility, both publicly and privately, that we are not going to war with anybody in Europe unless they attack the Western Hemisphere."

"The second thing is not to sit in this game of power politics."

Regarding the danger of war which he says "comes from the policies of our own Government," Hoover adds:

"President Roosevelt has taken a seat at the table where power politics is being played. He has joined the chessboard of Europe. He lines us up in the balance of power. It is said we can do this without joining in war."

Says He Will Be In Fight

"It is said we will do something more than words and less than war. When we open fire on the front we are in the fight. The enemy will fire back with more than words. If the more than words fail to overcome him we have to go further. For then we have to win or be overcome on our side. Let nobody say that you can do such things without danger of war itself."

Discussing the activities of propaganda, Mr. Hoover continues:

"We are told that we must join in war or democracy will disappear from the earth. From the alliance of the democracies with several totalitarian states that ideological issue seems somewhat confused."

"My sympathies are with the democracies. But the democracies of western Europe have the resources to defend themselves. . . . We are told that if they fall we shall be the next victim. I do not agree that they will fall. But if they do fall the exhaustion of the dictators will be such that these countries will leave us alone for a quarter of a century at least."

Sees Other Propaganda Forms

"And propaganda showers upon us in other forms. . . . And another form of war conditioning of the public mind is the firing of words by our Government officials at the nations we don't like. So long as we confine it to words, the dictators will fire back an equally insulting lot of words, and we wind up even."

"Soapbox oratory is the necessary equipment of modern dictators, and they excel. Only the really neutral nations could judge as to who wins in these jousts of billingsgate. But they build up hateful emotions both ways."

"And that does not imply that we should ever neglect to express indig-

nation at great wrong. But the terms we use are important if it is results we seek and not propaganda."

May Need To Fight Again

Recalling his service in relief work, and his observation of "the moving tragedy of the World War," the former President declares:

"We may need to go to war again. But that war should be on this hemisphere alone and in the defense of our firesides or our honor. For that alone should we pay the price."

"Europe," he continues, "is again engaged in a hideous conflict for power. Stripped to its bones, today the quarrel is much the same (as in the World War) . . ."

"What is proposed? That we join to stop inevitable movements and readjustments of peoples; that we engage in ideological wars. Who will pay for it in blood and treasure? Our children?"

Urges Economic Cooperation

"The greatest immediate service that we can render," the former President says at another point, "is to join in economic cooperation with other nations to relieve the economic pressures which are driving the world constantly to instability. . . . We should resume the conferences which were started under such good auspices by our country."

GOLD "WAR CHEST" NOW HELD IN U. S.

Foreign Nations Have About \$1,125,000,000 Under "Earmark"

Money Can Be Used For Supplies If Neutrality Laws Will Permit

[By the Associated Press] New York, July 4—A huge potential "war chest" of gold has accumulated in the United States and Canada for the account of England and other foreign countries, mostly since the crisis last summer leading to the Munich pact.

From informed banking sources it was learned today approximately \$250,000,000 was added in June to the fast-mounting foreign-owned gold

store, making a record total of about \$1,125,000,000 held here under "earmark."

This is gold set aside in special accounts and does not enter into the figures for the nation's monetary supply as reported by the United States Treasury.

Much, if not the bulk of the "earmarked" gold, is regarded in banking circles as reserve buying power which could be used for purchase of war supplies in this country, providing neutrality laws permit.

The ban on credits to foreign nations in default of debts owing this country, it was pointed out, makes gold reserves here more important as the road to purchase of war supplies than during the last war, when the Allies were able to get credits.

Nearly half the total has been placed under earmark this year. The shift of gold here by England and Holland, particularly, appears to have increased with the rise of preparations for war by the British and the increasing threat of a show-down between the anti-Hitler front and the Berlin-Rome combinations.

In addition to the metal sent to New York, more than \$300,000,000 was reported in banking circles to have

been placed in reserve under earmark in Canada, mainly for England, making a total of about \$1,500,000,000 in North America.

The biggest earmarking operations, it seems, have been conducted in the last two months. Moreover, the shipments continue. Of \$26,533,000 in gold arrivals reported at the outset of this week, about \$19,000,000 came from England and \$7,563,000, from Holland largely consigned directly to the Federal Reserve Bank of New York from the Bank of England and the Bank of Netherlands. Hence the metal was considered destined for earmark rather than for regular exchange transactions.

The great stores of metal here for foreign account may have a bearing on exchange control policies when the outcome of the Senate battle over extension of President Roosevelt's monetary powers is decided, some banking authorities said.

The earmarked gold, it was explained, provides a powerful support for the British pound in the event England becomes a heavy buyer of raw materials and machinery here for war. The Administration, it was noted, apparently has "managed" the dollar

the last six years chiefly with an eye on its relation to the British currency and a threat of further dollar revaluation was held out as a "club" to discourage depreciation of the pound or other foreign currencies.

The drive of England and her allies in the anti-Hitler front to speed up armament has been felt by United States industry in purchases of aircraft, steel scrap and machine tools. England was said in metal circles to have displaced Japan recently as the largest buyer of scrap metal in the United States to meet the record-breaking production pace of her steel mills.

Resist Unasked Pledges

Latvia, July 4 (AP).—Latvian newspapers today declared the Baltic States would resist any unsolicited pledges of assistance from Britain, France or Russia.

Commenting on reports that the proposed British-Soviet mutual-assistance pact would include guarantees against invasion of Latvia, Estonia and Finland, the newspapers said these nations had no wish to become involved in any alliance.

LIBRARIES TO BE PURGED

"Unpatriotic" Books In Slovakia To Be Burned

Bratislava, Slovakia, July 4 (AP).—All Slovak public libraries were ordered today by the Education Ministry to purge themselves of "unpatriotic" books.

Thousands of books are to be collected and burned to erase traces of Slovakia's part in the Czecho-Slovak republic.

Revival Laid to Armaments

BERLIN, July 4 (AP).—"Gigantic new armaments" were held responsible today for economic revival in Europe by the Reichs-Kredit-Gesellschaft, one of Berlin's largest banks, in a mid-year analysis of world economy. This was said to be true of France and Britain as well as Germany.

"Gigantic new armaments unequivocally provided the motor for this upturn," the bank said. "Characteristically, therefore, the European cannon business is a common denominator."

"World appropriations for armaments, which already rose to a record peak in 1938, will continue to increase by fits and starts during 1939 in accordance with previous estimates of the great powers."

Although the armaments industry is stimulating the world's markets by demanding raw materials, the bank said that nevertheless certain devel-

opments were exercising a stout drag on world economy. It cited international indebtedness whose "reasonable regulation must be emphasized again and again as an important precondition for world economic cooperation."

Other factors noted were the world credit market and the poor distribution of gold with more than 60 per cent of the supply in the United States.

The world credit market, the analysis said, "at present scarcely is serving the financing of countries capable of development and only to a lesser degree the change in world trade, but in so far as it shows any activity at all it is used in the game of political and economic battles for power."

U. S. Market Weakening Cited

It declared that "a conspicuous falling off in world trade had resulted from general economic and political unrest of the world in conjunction with the weakening of the

American market in the past year." It noted that the world trade turnover was 12.6 per cent less in 1938 than in 1937 and that the first quarter of 1939 showed no improvement.

The report asserted that the "main cause" for the present inequality of world payment balances rested with the foreign trade of the United States, which it said showed an active balance of \$1,120,000,000.

"Really healthy world trade and world economic cooperation presupposes, therefore, a change in the economic and foreign trade policy of great creditor nations, above all the United States," it said.

"When it [the United States] imposes, however, additional 25 per cent customs surcharges on imports from Germany as happened at the end of April, 1939, then that stands in absolute contradiction to what would be desired in the interests of an improved world economic exchange of goods."

The survey said Germany would continue "with increased energy" to foster her barter system of trade.

Hitler Prepares to Greet Werth and Kiosseivanoff

Hungarian Army Chief, Premier of Bulgaria to Visit Berlin

BERLIN, July 4 (AP).—Southeastern Europe apparently had taken first place in Nazi attentions tonight as Chancellor Hitler prepared to entertain state visitors from Hungary and Bulgaria.

Gen. Henry Werth, chief of the general staff of Hungary's Army, was expected tonight for a visit of several days. Premier George Kiosseivanoff of Bulgaria is due tomorrow with his wife and daughter.

With state guests in the Wilhelmstrasse home of the bachelor Fue-

hrer, Frau Emmy Goering, the wife of Field Marshal Gen. Hermann Wilhelm Goering, will step into her role as first lady of the land, hostess for Hitler.

General Werth will attend German army maneuvers and inspect fortifications. Kiosseivanoff, Nazi leaders expected, will hear of Germany's sympathetic views toward Bulgarian hopes for revision of the treaty of Neuilly under which Bulgaria ceded parts of her territory to Yugoslavia, Greece and Rumania after the World War.

Germany And Lithuania Sign Memel Agreements

New Accords Deal With Postal Service, Shipping, Currency And Customs

Berlin, July 4 (AP).—Germany and Lithuania concluded negotiations today to augment their previous agreement for a Lithuanian free port at Memel.

An official announcement said several agreements were signed dealing with postal service, shipping regulations, foreign currency, customs duties and the sojourn of Lithuanian workers in the free port zones.

Germany and Lithuania signed trade agreement May 20 to iron relations after Germany's annexation of Memel March 22, by which Lithuania lost her only port.

Burckhardt Urges "Good Will"

FREE CITY OF DANZIG, July 4 (AP).—Dr. Carl Burckhardt, the Swiss scholar who is the League of Nations' referee in the German-Polish sparring over Danzig, said today that men of good will everywhere must combine their talent to preserve peace.

"The highest duty of every one in these serious hours is to exert every effort to save peace and with good will it can be done," he said earnestly in his large office in a downtown mansion where he studies every changing phase of the Danzig problem.

The Free City is under the protection of the League, which appointed Burckhardt high commissioner Feb. 10, 1937. Performing one of the most delicate political tasks in precariously balanced Europe, he was reluctant to make statements which might compromise his usefulness as a mediator. But he authorized these three statements in his behalf:

1. "The highest obligation of every one is to bend every effort to preserve peace."

POLES SEE TRUCE GOOD FOR MONTH

Think Anglo-French Stand Has Eased Tension.

WARSAW, July 5 (A. P.).—The belief was expressed here today that tension in Central Europe had been relaxed and this attributed it to a diplomatic counter-attack by Great Britain, France and Poland that had impressed Germany.

The independent newspaper Wic-zor Warszawski called the new situation a "truce" and said that it might last four weeks.

There still were some indications of nervousness, however. Hoarding by peasants was said to have drawn many silver coins from circulation, Polish forces remained mobilized and one newspaper warned that "until Hitler gives sincere proof of desire for peace, Europe must remain watchful and armed."

Some newspapers reported evidence continued militarization of Danzig.

"Until now, countries of the axis have taken the initiative in setting the tempo of the war of nerves," observed the pro-government newspaper Kurjer Czerwony. "The Western Powers, occupied with completing their armaments, have held a defensive position."

"Today the situation is different and the attitude of the Western Powers is daily becoming firmer. Declarations by Western statesmen, which have dissipated any German illusions, clearly indicate that Germany now is in a deadlock."

"2. We must not exaggerate events in uneasy Danzig. Overstatement contributes unnecessarily to the tension of the moment."

"3. We must not draw isolated incidents out of their proper setting and attach undue importance to them. The problem should be considered as a whole without adding to the difficulties by magnifying some specific event or situation."

Burckhardt, who has been called by Chancellor Adolf Hitler "the most tactful of men," preferred not to give illustrations of exaggerations or of "seeing specific incidents disproportionately." But some of his co-workers have been disturbed by the so-called "police measures" being taken in Danzig, described abroad as "military preparations." The opinion held rather extensively here is that these measures are insignificant in a military sense.

Meanwhile Danzig's political leaders were explaining that the decision of the Free City bank to stop interest payments abroad on a number of loans was caused largely by an increasingly effective Polish "boycott" on Danzig industry and the necessity of using available free currency to modernize industrial plants.

Anglo-French Strength Cited By Hore-Belisha

British Minister, in Paris, Says Democracies Will Meet Challenge Firmly

PARIS, July 4 (A.P.)—British War Secretary Leslie Hore-Belisha declared tonight to the "whole world" that Great Britain and France "understand completely the character of the challenge which is offered to us, and will meet it, if need be, with decision."

Speaking at a France-Britain Association dinner after a day passed in conferring with the British Ambassador at Paris, Sir Eric Phipps; Gen. Maurice Gustave Gamelin, commander in chief of France's armed forces, and other French leaders, the visitor emphasized British-French collaboration.

"It would be the most mortal of errors for observers, and still more for interested parties, to make false deductions from the fact that circumstances have placed us upon the defensive," he said. "As we lack aggressive intentions, the initiative cannot in the first place lie with us. This, to the superficial onlooker,

may appear weakness, whereas in the long run it will be strength."

Hore-Belisha said France and Britain have a "complete interchange of information, knowledge and experience. We live as comrades as, if need be, we shall die . . . The partnership is neither selfish nor exclusive. It is ready, as we have seen, to act on behalf of others who may find their independence threatened."

He said that France had the world's finest army and Britain the finest navy, and together the countries, at the present pace of production, "shall have the most modern and, in quality, the most powerful air forces."

French Foreign Minister Georges Bonnet joined Hore-Belisha in declaring the British-French alliance the most powerful military factor in the present world tension.

"France and England have not only the duty of maintaining the integrity and independence of their empires," he said. "They have equally that of maintaining in the world a certain degree of security without which life's risks would become intolerable to men. It is not possible for men to fear each day for the frontiers of their territory. It is not possible to wake each morning under the menace of violence and war."

Polish Leaders Confer On Reports From Danzig

Warsaw, July 5 (A.P.)—President Ignace Moscicki conferred today with leaders of the Polish Government, including Marshal Edward Smigly-Rydz, "second person in the state," to consider "the current state of affairs."

The conference, following yesterday's meeting of the "Big Five" council, was believed to have dealt directly with formulation of Polish policy regarding continued reports of secret militarization of the Free City of Danzig which Poland considers a direct violation of her rights there.

Immediately after the meeting, Foreign Minister Joseph Beck received Clifford Norton, British charge d'affaires. It was thought Beck told him to what extent Poland was ready to tolerate the reported militarization.

Although Leon Noel, the French Ambassador, who returned to Warsaw yesterday, had not yet been received by Beck, foreign circles were convinced the conferences yesterday and today were directly identified with plans for some form of three-power declaration to Danzig.

NAZIS HAIL BULGARIAN

Premier Arrives in Berlin to Visit Hitler.

BERLIN, July 5 (A.P.)—George Kiosseivanoff, the Premier of Bulgaria, hailed by the Nazi press as a "man of factual politics," arrived today on a State visit to Reichsfuehrer Hitler.

Berlin was decked out in its holiday best to receive the chief of government of the southeastern European State which does most of its trade with Germany. Foreign Minister Joachim von Ribbentrop welcomed Mr. Kiosseivanoff, his wife and daughter at Anhalter station and escorted them to Bellevue Castle.

The program called for the visitor to attend a State banquet tonight. Herr Hitler began a day of receptions at noon, when the chief of the Hungarian general staff, Gen. Henry Werth, called at the Chancellery.

Soviet Accord Reported On All but Minor Issues

LONDON, July 4.—Soviet circles said tonight that Great Britain, France and the Soviet Union had reached agreement on all main points of a proposed mutual assistance pact, but that some minor questions remained to be settled.

New instructions, it was said, would be sent immediately to Britain's diplomats in Moscow—Ambassador Sir William Seeds and William Strang, special envoy—who were expected to renew conversations with Premier Foreign Commissar Viacheslav M. Molotov later this week.

The Foreign Affairs Committee of the Cabinet, at a second meeting tonight, was said to have considered both the Danzig situation and the Moscow negotiations.

"There is no doubt that good progress was made in the last talks in Moscow," a source close to the Soviet Embassy said, "and there is considerable ground for optimism that a full agreement will soon be reached."

Among other points settled, this source said, was the difficult question of guarantee for Russia's Baltic neighbors. All three powers, he said, have agreed to guarantee these states against aggression and to name them in the projected pact, as Russia had insisted.

(The chief stumbling block in negotiations which have been in progress for months in both London and Moscow was said to have been Russia's insistence that the independence of Finland, Latvia and Estonia be guaranteed as a condition for her partnership with London and Paris, France and Britain were said to have been reluctant because of the fears of the three Baltic states that their neutrality might be jeopardized by specific pledges.)

Netherlands Reluctant British official circles, although expressing confidence that an agreement would be reached, said considerable discussion might still be necessary.

Netherlands was said to have objections to being guaranteed in the projected pact. The Hague government was reported to have sent Britain a note stating that position following reports that the latest Anglo-French proposals to Moscow provided for guarantees to Switzerland, Belgium and the Netherlands if Russia insisted on similar pledges to the Baltic states.

Russia was reported also to have raised objections to guaranteeing Switzerland and the Netherlands, neither of which has diplomatic relations with Moscow.

Soviet circles in London, however, said Russia had agreed to accept the British method of naming the Baltic states, provided the new issues could be solved.

The Cabinet will consider the international situation tomorrow, and informed sources said Prime Minister Neville Chamberlain would make a statement on the Moscow negotiations.

3 Powers May Tell Free City Militarization Must Be Halted

Poland Expects Britain and France to Join Her in Caution; Trench Digging on Frontier Reported; Warsaw Confident Allies Will Stand Fast

By The Associated Press
WARSAW, July 4.—Count Edward Raczynski, Polish Ambassador to Great Britain, conferred tonight with President Ignace Moscicki almost immediately after returning from his London post, deepening the belief of Poles that a French-British-Polish warning might be directed to Danzig soon.

Polish reports from Danzig asserted that labor units of the Free City had started digging trenches along the Polish frontier and erecting barricades. These reports, unconfirmed from other sources, said many unhurried fields had been ruined by these activities.

It was regarded as likely that Britain, France and Poland would seek to impress on the Danzig government that such steps as the reported militarization of the Free City could not be tolerated.

A few hours before the President received Raczynski the "big five" council—Moscicki, Marshal Edward Smigly-Rydz, Premier Felician Slawoj Skladkowski, Vice-President Eugeniusz Kwiatkowski and Foreign Minister Joseph Beck—convened. The "big five" is assembled only on occasions of high importance.

Moscicki also received Col. Adam

Koc, chairman of the Polish financial commission to England, who was believed to have reported on negotiations for war materials and new credits from Britain. There was some difference of opinion as to whether a "warning" could be delivered to Danzig directly instead of through the League of Nations, the Free City's nominal protector.

It was taken for granted that Raczynski brought most solemn assurances that Britain was prepared to do its part in—as the pro-government newspaper "Kurier Szweryny" put it—"guaranteeing the rightful interests of Poland in Danzig."

Reliable assurances that Marian Chodacki, Polish Commissioner for Danzig, had made no protest over recent developments such as the constitution of a Danzig "Heimwehr" (Home Guard) were regarded as further evidence that any new declarations to the Danzig Senate might bear the additional signatures of Britain and France.

In the opinion of foreign observers Poland was more confident than ever of the backing of Britain and France and therefore was content to make no immediate protest

(Continued on page 2, column 3)

NAZIS ADDRESS U. S.

Commentary Says Roosevelt Spurs War Danger.

BERLIN, July 5 (A.P.)—A semi-official Nazi commentary, addressing itself to the people of the United States, said tonight that "the intention of Roosevelt to line up America in the encirclement front does not lessen the danger of a world war, but on the contrary increases it."

Deutsche Dienst, distributed by the official German news agency, gave this reaction to President Roosevelt's comment yesterday concerning the action of the American House of Representatives in writing in a modified arms embargo into the American neutrality law.

[Mr. Roosevelt said the first policy of his administration was to prevent any war in any part of the world, because anything that can be done to stop war is good. He asserted that press dispatches from four major capitals stating that the House action had been welcomed in Fascist and Nazi nations were substantiated by reports to the State Department.]

Deutsche Dienst said that to maintain that Germany welcomed the action was a "biased falsification."

The service added that in making his statements at his Fourth of July press conference, the President "perhaps was under pressure of the many exploding firecrackers."

Mr. Roosevelt was painting "war ghosts on the wall," the service

said, and "cast suspicion above all on Congressmen as disguised Nazis and culprits for the next world war."

own. Although public nervousness and talk of war continued there was a growing feeling of confidence and satisfaction over recent developments. The Polish press indicated a belief that Germany was becoming seriously impressed with the solidarity of Poland and her allies.

BRITAIN WILL ACT IN POLAND ONLY ON THREAT TO LIBERTY

Butler Refers Commons to Previous Pledge When Asked About Danzig.

LONDON WILL CLARIFY STAND

But Chamberlain Makes a Sharp Reply When Told Slow Soviet Deal Tries Patience.

LONDON, July 5 (A. P.).—Richard Butler, Under-Secretary for Foreign Affairs, told the House of Commons today that Great Britain was obligated to resist aggression against Poland only in the event that there was a clear threat to Poland's independence.

Asked if Great Britain's policy included resistance to any possible attempt to change the status of the Free City of Danzig, Mr. Butler referred his questioner to the "terms of our pledge to Poland, which Great Britain will certainly fulfill."

[The Anglo-French undertaking, as announced on March 31 by Prime Minister Chamberlain, is to lend "all support in their power" to Poland "in the event of any action which clearly threatened Polish independence and which the Polish Government accordingly considered vital to resist with their national forces."]

Omissions Are Recalled.

Shortly before Mr. Butler spoke, Mr. Chamberlain had declared:

"His Majesty's Government will not fail to take any steps which may seem to them necessary and desirable to make their attitude absolutely clear. This has already been stated with precision in recent speeches by Ministers."

Despite Mr. Chamberlain's statement, some of his hearers recalled that neither he nor Foreign Secretary Lord Halifax had mentioned the Danzig situation specifically in any of their recent speeches, nor

been more specific concerning Great Britain's pledge to aid Poland if her independence were threatened.

[On Saturday a foreign office spokesman declined to say that a Nazi Putsch in Danzig "would necessarily" bring British guarantees into force. On Sunday foreign office sources said that Poland, Great Britain and France had agreed to resist any effort to change the status of the Free City, either from within or without. This statement has not been endorsed by either Mr. Chamberlain or Lord Halifax.]

Refuses Further Answers.

Mr. Chamberlain refused to answer other questions, as to whether he would consider strengthening the Cabinet to impress the German Government and whether he could "do something better than the

which he gave on Sunday broadcast he made only reference to Danzig. He said that Great Britain is determined to fulfill her pledges.

His statement that Great Britain would take necessary steps to make her attitude clear was in answer to a suggestion by Vyvyan Adams, Conservative, that she mobilize her fleet.

Mr. Adams, who has raised the same question before, asked whether "in view of illegal proceedings as to importations of munitions and armed men into the Free City of Danzig," Mr. Chamberlain would "take steps while there is time to impress upon the German Government the determination of the British people by some physical action such as mobilization of the fleet."

Mr. Chamberlain did not reply when Mr. Adams asked whether the fleet mobilization during the Czecho-Slovak crisis last September did not have "some considerable effect."

Presses For Definite Answer.

F. S. Cocks, Laborite, pressed Mr. Butler for a more definite answer on the Danzig situation, asking whether he could "say at least whether, if Poland suffers an act of aggression, all our forces would be immediately put at her disposal?"

Mr. Butler replied that Mr. Cocks "will remember that the terms of the guaranty which we gave to Poland referred to a very clear threat to her independence."

Replying to another question, Mr. Butler said that "certain military preparations which have been reported would appear to constitute a breach" of Article V of the League of Nations statute bearing on Danzig, which prohibits militarization of the Free City.

Then Mr. Cocks asked: "To the British Government propose to make a demarche?"

Mr. Butler replied: "At the present we are in touch with these governments (French and Polish) on all aspects of the matter, and I cannot say more at the moment."

The Prime Minister had declined to give details of what issues are obstructing Russia's participation in the Anglo-French mutual assistance front, but declared that Moscow's reactions were being studied jointly by Great Britain and France.

Make Sharp Reply.

To the comment of Hugh Dalton, Laborite, that many persons were losing patience at the long negotiations, however, the Prime Minister answered sharply:

"It would be a mistake to suppose that difficulties arise from one side only."

The Cabinet met at unusual length this morning and agreed to meet again late today. Both the tension over the Free City and the stalemated negotiations in Moscow were before the Ministers at their regular session, which lasted two and one-half hours.

Russia was said in Soviet circles to have given qualified agreement to the latest British-French proposals, but new issues described by the Russians as "minor" have been brought into the discussions.

British official circles were more pessimistic, saying the new problems were likely to drag out for some time the negotiations which have been in progress since March. They were convinced, however, that agreement eventually would be reached.

New instructions to Britain's envoys to Moscow were to be sent for presentation to Soviet Foreign Commissar Vyacheslav Molotov later this week.

Guaranties a Problem.

The new issues involved a British suggestion that the Netherlands, Belgium and Switzerland be included in guaranties of aid demanded by Russia for Estonia, Latvia and Finland. Russia was said to have objected to the inclusion of the Netherlands and Switzerland, with whom she has no diplomatic relations. The Netherlands also has notified Great Britain that she objects to being named in any guaranty because it might endanger her neutrality.

The Times, which usually is in close touch with the Government, suggested editorially that Great

Britain try to avoid further the French-British-Russian by seeking to persuade the three to agree immediately to include a relatively plain mutual assistance treaty with the British and French, with the understanding that the matter of guaranties to the Baltic countries be put later.

The Times said: "The view of the Soviet Government is understood to be that it is good for the Baltic States (Finland, Latvia, Estonia) to be defended from the German enemy and that therefore whether they like it or not, they should be guaranteed."

New French Suggestions

PARIS, July 5 (A. P.).—France sent new suggestions to London today for proposals to Moscow in continuation of efforts to get Soviet Russia into the British-French front. French officials expressed disappointment at Moscow's latest reply to previous British-French proposals and feared further delay.

The new French plan, the nature of which was not disclosed, was relayed to London for discussion with Britain before further steps are taken in Moscow over the points at issue—the difficulty of giving guaranties of aid to smaller States which do not want such guaranties.

French commentators were alarmed and angry at failure to reach a quick agreement with Russia.

Former Premier Leon Blum called for some straight "yes and no" answers as to negotiations which were being conducted in secrecy. "The hour is past," he said. "The people wait, but perhaps peace will not wait."

Sections of the French press accused Russia of raising her price every time tension over Danzig developed. One remarked that "this is typical Soviet diplomacy—just like a Russian ballet. One step forward and then two backward."

The commentator Pertinax, writing in L'Ordre, said Prime Minister Chamberlain had bungled the negotiations from the beginning and suggested that he send an "unentangled" British statesman to Moscow to talk things over in a "man-to-man" fashion with Joseph Stalin. By "unentangled" he meant some one unconnected with the Munich pact.

Mr. Chamberlain, Pertinax added, "always has been late with a concession." At the beginning of June, he said, Mr. Chamberlain rejected "a Russian proposal that he would be happy to accept today."

Baltic States Resentful.

RIGA, Latvia, July 5 (A. P.).—Usually well-informed Latvian sources said today that any unsolicited guaranties of Baltic States in a British-French-Soviet Russian pact might be met with counter declarations by the States themselves that such guaranties are not wanted.

Resentment at the reported Soviet insistence that such guaranties be made whether the Baltic States want them or not has been apparent in Latvia, Estonia and Finland. The three countries also appeared to resent the lack of definite information about British-French-Russian pact negotiations in Moscow.

The three nations maintain that they are neutral and that they firmly intend to defend their neutrality in their own capitals.

"There is too much emphasis on the dangers of aggression for the Baltic States and too little emphasis on the ability of the Baltic States to defend themselves," said one responsible Latvian.

Loophole Left Open

LONDON, July 5 (A. P.).—An "if" Great Britain's pledge to Poland caused misgivings in circles where it had been feared that Britain might seek a loophole if the Danzig situation came to a showdown. The question whether Britain would fight for the Free City was left without a clear answer in a government statement in the House of Commons today which pointed out that Britain's guaranty of aid to Poland provided for help only if there were a "very clear threat" to Poland's independence.

This statement was made by Richard Austen Butler, Under Secretary of Foreign Affairs, when he was asked in the Commons whether Britain's policy included resistance to any possible attempt to change the status of the Free City.

Butler said Britain "will certainly fulfill her pledge to Poland." But when pressed for a more definite reply, he reminded his questioner that "the guaranty which we gave to Poland refers to a very clear threat to her independence."

(Prime Minister Chamberlain announced the joint British-French pledge last March 31 as a guaranty to support Poland "in the event of any action which clearly threatened Polish independence and which the Polish government accordingly considered vital to resist with their national forces.")

Vague Words Create Alarm

Alarm had been expressed in some quarters because Chamberlain, Foreign Secretary Lord Halifax and other Cabinet Ministers had avoided any more definite statement on

the wider, the well-known reference to aid if Poland be threatened. Some sources, however, said Sunday that France and Poland to resist if any attempt made to change the status of Danzig from within or without.

Despite this statement the feeling continued in some quarters that the government's exact position on Danzig should be stated publicly by Chamberlain or Halifax.

The Prime Minister himself was asked a number of questions in the Commons today, but he refused to answer most of them. He made a brief statement, however, in answer to a request that he mobilize Britain's fleet or take some other strong action to impress Germany.

Will Take "Necessary Steps"

"His Majesty's government," he said, "will not fail to take any steps which may seem to them necessary and desirable to make their attitude absolutely clear."

"This has already been stated with precision in recent speeches by Ministers."

There were reports that Britain, France and Poland intended to take some sort of action—possibly jointly—to halt reported military activity in Danzig, but government spokesmen refused to discuss them. Butler, asked if representations might be sent to the Nazi-dominated Danzig Senate, answered that he could say no more than that Britain was in touch with France and Poland "on all aspects of the matter."

Hitler Greets Sofia Premier On Berlin Visit

Kiosseivanoff Will Discuss Bulgaria-Rumania Breach; Is Guest at State Dinner

BERLIN, July 5 (AP).—Adolf Hitler welcomed Bulgarian Premier George Kiosseivanoff on a three-day state visit today, renewing the friendship of their two countries, which were World War allies.

Foreign Minister Joachim von Ribbentrop received Kiosseivanoff and his wife and daughter at the Anhalter station and drove with them through cheering crowds along flag-decked streets to the Reich's state guest house, Bellevue Castle, where Prince Paul, Regent of Yugoslavia, stayed last month. Streets leading to the castle, as well as the Wilhelmstrasse and Unter den Linden, were lined with swastika and Bulgarian flags.

Hitler received Kiosseivanoff at the new chancellery in the afternoon and later gave a dinner for him, with Frau Emmy Goering, wife of Air Marshal Hermann Wilhelm Goering, as hostess.

Official circles said no treaties or agreements would result from Kiosseivanoff's visit. The Premier, however, will be given ample opportunity to discuss with Hitler, Ribbentrop and Goering the chances for Bulgaria and Rumania to settle the question of the southern Dobrudja, which Bulgaria lost to Rumania in the World War. Bulgarian extremists are demanding its return.

Hitler also received the chief of the Hungarian general staff, Gen. Henry Werth, who is later to see the new "Limes" line of fortifications along Germany's western frontier.

THOUSANDS PLAN TO LEAVE TYROL

Italy and Reich Arrange Transfer of Residents.

BERLIN, July 5 (A. P.).—Thousands of Italian citizens of German extraction from the regions of Bolzano and Merano in the Italian

South Tyrol were expected today to start shortly a trek through Alpine passes for resettlement in Germany.

Germany and Italy have agreed to facilitate the departure and resettlement of some 200,000 Germans living in the provinces Italy conquered from the Austro-Hungarian empire in the world war.

Germans are to be given an opportunity to say whether or not they want to go. The two axis Powers are working out details of the transfer, which will include forfeiture by Italy of all citizenship claims. Italy will give financial aid to the emigrants. Elimination of the German minority in the South Tyrol, it was believed here, would wipe out the likelihood of a future German claim on the region.

Between 5,000 and 6,000 Germans already have returned to Germany. They began moving back when it appeared that political collaboration of Germany and Italy precluded any chance of the territory going back to Germany in the near future. This movement followed Chancellor Hitler's visit to Italy in May, 1938, during which, at a banquet in Rome, the Fuehrer fore-sware all claims on the South Tyrol.

Those returning to Germany under the new plan would include both Italian citizens and Germans who never acquired Italian citizenship.

SEEKS BARTER PACT

Reichsbank Head in Hague for Negotiations.

THE HAGUE, July 5 (A. P.).—Walther Funk, German Minister of Economics and president of the Reichsbank, came here today for negotiations intended to extend barter trade between Germany and the Netherlands.

Among the proposals to be considered was the exchange of German manufactured goods for tobacco from the Netherlands East Indies and for Netherlands horticultural products.

Soviet Film Shows Rout Of Poland in 1920 Warfare

Stalin and Voroshiloff Battle Roles Portrayed—Ukraine Oil Field Open

MOSCOW, July 5 (AP).—Soviet Russian cameramen are filming spectacular battle scenes on Russia's western frontier for a new screen feature, "The First Cavalry Army," portraying episodes in the struggle of the young Soviet Republic against foreign invaders during the civil war and intervention period.

Poles are shown invading Soviet

soil (in 1920) and capturing Zhitomir and Kiev. The first cavalry

led by a youthful Klement Voroshiloff (now War Commissar of Defence) has to the Polish front. Joseph arrives and the film shows plan for routing the inter-nists takes shape in Stalin's

car.

Ukraine Opens Oil Field

first cavalry army then strikes at Zhitomir. The film depicts et forces throwing "enemy tanks into confusion" and hurling the Poles "back from the Soviet Ukraine."

Technical advisers for the pro-

duction include Voroshiloff and Budenny.

In the Ukraine of today, meanwhile, a new Soviet oil field—the first to be developed there—is attracting thousands of workers to the Romny and Poltava region.

Well No. 12, which began flowing at a depth of 1,000 feet, is producing high grade petroleum. Intensive prospecting over a wide area is expected to open up other fields. Large scale production is expected by January.

The discovery has military importance in that it would make possible a supply of fuel for a motorized army on the Ukrainian border without the long haul necessary from the Caucasus fields.

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JUL 6-1939

LONDON, JULY 6 (WED THURSDAY) THE DAILY MAIL
(AP)---THE MAIL SAID TODAY THAT

POWERS TO MAKE TRADE AND DEFENSE CREDITS TOTALLING ABOUT
\$702,000,000 TO BOOST THE WAR PREPAREDNESS OF POLAND, RUMANIA,
TURKEY AND GREECE, TO WHOM GREAT BRITAIN HAS GIVEN GUARANTEES,
ARE TO BE SOUGHT FROM PARLIAMENT "WITHOUT DELAY."

THIS WAS DECIDED AT A CABINET MEETING LAST NIGHT,
THE NEWSPAPER SAID, WHEN A LONG-RANGE FINANCIAL POLICY WAS
AGREED UPON, AUTHORIZING EXPORTS CREDITS TO FINANCE THE EXPORT OF
WAR AND OTHER ESSENTIAL REQUIREMENTS OF THE FOUR COUNTRIES.

A POLISH FINANCIAL MISSION HAS BEEN IN LONDON THREE
WEEKS TO NEGOTIATE FOR THE PURCHASE OF WAR MATERIALS.

THE DAILY HERALD SAID AN ANNOUNCEMENT ABOUT THE
CREDITS WOULD BE MADE TODAY IN THE HOUSE OF COMMONS.

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JUL 6-1939

30.24-2405

30.24-2405

BY DEWITT HACKETT

ASSOCIATED PRESS FOREIGN AFFAIRS WRITER

NEW YORK, JULY 5--PRESSURE FROM BRITISH NEWSPAPERS AND PUBLIC FOR
THE INCLUSION OF WINSTON CHURCHILL IN THE CABINET IS ONE OF THE MOST
COGENT INDICATIONS THUSFAR GIVEN THAT ENGLAND FINALLY IS PREPARED,
MENTALLY AND MATERIALLY, FOR ANY EVENTUALITY.

AS A WARNING THAT BUSINESS IS INTENDED, IT IS EVEN MORE IMPRESSIVE
THAN THE STRONG LANGUAGE EMPLOYED IN THE PAST FEW DAYS BY PRIME
MINISTER CHAMBERLAIN AND HIS OUTSPOKEN FOREIGN MINISTER, LORD
HALIFAX.

FOR CALLING ON CHURCHILL TO ENTER THE GOVERNMENT WOULD BE LIKE
RESORTING TO THE OXYGEN-TENT IN PNEUMONIA--CLEAR INDICATION OF A MAJOR
CRISIS CALLING FOR EXTREME MEASURES.

THIS MANY SIDED GENIUS IS ONE OF THE MOST HIGHLY RESPECTED MEN IN
ENGLAND, BUT PEOPLE FEAR HIS CAUSTIC TONGUE, WHICH HAS BEEN A LASH
OVER GOVERNMENTS AND MEMBERS OF PARLIAMENT FOR YEARS.

THEY SAY HE, HIMSELF, COULD HAVE BEEN PRIME MINISTER LONG AGO IF
HE HADN'T GOT MORE SATISFACTION OUT OF RIPPING THE HIDE OFF THE BACKS
OF THOSE WHO INCURRED HIS DISPLEASURE THAN IN HOLDING HIS PEACE WITH
THE IDEA OF ACQUIRING PERSONAL POPULARITY WITH HIS COLLEAGUES.

THE INCLUSION OF CHURCHILL IN THE BRITISH CABINET WOULD LEAVE
GERMANY IN NO DOUBT AS TO THE ATTITUDE OF HIS BRITANNIC MAJESTY'S
GOVERNMENT. IF THE NAZI CHIEFTAIN HITLER DISLIKES ANY INDIVIDUAL
MORE THAN HE DOES CHURCHILL, IT WOULD BE INTERESTING TO HEAR A
DISCRIPTION OF THAT PERSON.

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THE BRITISH STATESMAN HAS DAMNED "DICTATORS" IN NO UNCERTAIN TERMS. AND HERR HITLER HAS MORE THAN ONCE PUBLICLY ACCUSED CHURCHILL OF WAR-MONGERING.

AND IN HOME POLITICS CHURCHILL HAS BEEN ONE OF PREMIER CHAMBERLAIN'S MOST SEVERE AND TROUBLESOME CRITICS BECAUSE OF THE PRIME MINISTER'S POLICY OF PACIFICATION. CHURCHILL'S CONDEMNATION OF CHAMBERLAIN'S ACCEPTANCE OF HITLER'S MUNICH TERMS WAS

A75

"THOU ARE WEIGHED IN THE BALANCES, AND ART FOUND WANTING," THUNDERED CHURCHILL FROM THE FLOOR OF THE HOUSE OF COMMONS AT THE WHITE-HAIRED APOSTLE OF APPEASEMENT.

CHURCHILL IS 64 YEARS OLD AND, AS DESCENDANT OF THE FAMOUS DUKE OF MARLBOROUGH, IS ONE OF THE BLUEST OF ENGLAND'S BLUE-BLOODS. HE IS JUST SO ARISTOCRATIC THAT THERE IS NO TITLE WHICH WOULD ADD ONE CUBIT TO HIS STATURE. HE IS ENTITLED TO SNIFF AT ORDINARY KNIGHTS AND BARONS--AND DOES AT SOME OF 'EM.

JUL 6-1939

FEW MEN HAVE HELD SO MANY OFFICES OF STATE AS HE. AMONG OTHER THINGS HE HAS BEEN MINISTER OF WAR, MINISTER OF MUNITIONS, MINISTER FOR AIR, BIG BOSS OF THE KING'S NAVY, AND CHANCELLOR OF THE EXCHEQUER, RAISING THE CASH. HE ALSO HAS BEEN A SOLDIER IN NUMEROUS CONFLICTS, AND THUS KNOWS WAR FROM THE VIEWPOINT OF THE TOMMY IN THE TRENCH RIGHT UP THROUGH TO THE PLUSH CHAIRS OF WHITEHALL.

JUST AN EXAMPLE OF HIS UNCANNY FORESIGHT: WHEN ENGLAND DECLARED WAR ON GERMANY ON AUGUST 4, 1914, CHURCHILL AS FIRST LORD OF THE ADMIRALTY HAD THE BRITISH FLEET AT STATIONS IN THE NORTH SEA AND THE GERMANS WERE BOTTLED UP. HE HAD SEEN THE BREAK COMING AND HAD KEPT

HIS SHIPS ON A WAR FOOTING INSTEAD OF DISBANDING THEM AFTER KING GEORGE REVIEWED THE FLEET ON JULY 20.

CHURCHILL CONCEIVED THE SENSATIONAL ANTWERP AND DARDANELLES EXPEDITIONS IN THE WORLD WAR. THEY FAILED, AND AT THE TIME HE BORE HEAVY CENSURE FROM MANY QUARTERS. HAD THEY SUCCEEDED HE MIGHT HAVE BEEN THE GREAT HERO OF THE WAR.

HE IS A MAN OF IMMENSE VERSATILITY. LITERARY CRITICS PLACE HIM AMONG THE GREATEST OF ENGLISH WRITERS. HE IS PERHAPS THE MOST FORCEFUL ORATOR IN THE COUNTRY. HIS LOGIC IS DEVASTATING, AND HIS WIT SCINTILLATING.

CHURCHILL ALWAYS FILLS THE HOUSE OF COMMONS WHEN HE CHOOSES TO SPEAK. SOMETIMES HE IS HELPFUL IN A KINDLY WAY, BUT MORE OFTEN HE USES THE LASH. I HAVE SEEN A PRIME MINISTER SLUMPED RED OF FACE IN HIS SEAT UNDER A CHURCHILL ASSAULT.

JUL 6-1939

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BRITAIN PREPARES TO ARM ALLIES: WILL SEND WAR PLANES TO FRANCE

Parliament Asked to Vote
\$234,000,000 Fund to
Aid Purchases.

MOVES AIMED AT GERMANY

Five Royal Air Force Squadrons
Will Take Part in Bastille
Day Exercises.

LONDON, July 6 (A. P.).
—The British Government
proposed to give its allies
more than treaties today by

introducing a bill in Parlia-
ment providing a credit fund
of £50,000,000 (about \$234,-
000,000) for purchases in
the United Kingdom.

At the same time the Air Ministry
announced that five squadrons of
British planes would be sent to
France to take part in Bastille Day
exercises July 14.

The credit fund and visits of war-
planes to the Continent had been
reported in advance as among
measures considered by the Gov-
ernment to impress upon Germany
the danger of any coup in Danzig.
It was understood most of the
money in the credit fund would go

for war material.

The Government's credit move was
approved at last night's Cabinet
meeting and was said to be intended
primarily to permit Poland, Ru-
mania, Greece and Turkey to place
large orders with British mer-
chants and industrialists.

The new bill is an extension of
a measure adopted last spring pro-
viding a £10,000,000 (\$46,800,000) ex-
port credit for political rather than
purely commercial purposes.

This was in addition to £75,000,000
(\$351,000,000) already voted for reg-
ular export credits.

Had Sought Arms Grants.

It was understood that repre-
sentatives of countries holding Brit-

ish guaranties had urged British grants to aid them in arming.

There also have been suggestions in the House of Commons that Britain send part of her navy to the Baltic as a demonstration of her determination to prevent changes in the status of that region, but so far the Government has announced no decision on this point.

When Prime Minister Chamberlain was questioned about this possibility yesterday he replied that the Government would take any steps which were considered "necessary or desirable" to make Britain's position clear. He did not indicate, however, whether any display of force was being considered.

To Give Stand on Danzig.

Another move reported in some quarters to be under consideration by the Government was an explicit statement by Prime Minister Chamberlain, perhaps tomorrow in the House of Commons, on Britain's position toward Danzig.

\$702,000,000 Figure Reported

The Daily Mail said Parliament would be asked to make available £150,000,000 (\$702,000,000) for loans to Poland, Rumania, Turkey and Greece.

Export trade circles, however, regarded as more probable a figure of £100,000,000 (\$468,000,000). Legislation empowering the Board of Trade to make the loans was being drafted and may be circulated among members of Parliament tonight or tomorrow.

Air Maneuvers Considered

A second was the dispatch of Royal Air Force squadrons to France and perhaps also to Poland and Rumania, both as a display of Britain's new air might and of her determination to use it on the continent.

Four Mentioned For Loans

On the question of financial assistance to the smaller countries, sums mentioned ranged as high as £150,000,000 (\$702,000,000). This was the figure which the Daily Mail said Parliament would be asked to make available for loans to Poland, Rumania, Turkey and Greece.

The Government was consulting both Poland and France on the phraseology of the declaration, but it was expected to be unilateral rather than a three-Power statement.

Moves to re-enforce such a declaration and to provide definite assistance to countries in the British-French group in preparing their defenses also were reported under consideration.

One move was a proposal to dispatch royal air force squadrons to France and perhaps also to Poland and Rumania, both as a display of Britain's new air might and of her determination to use it on the Continent.

As an indication that this step was in the forefront of Cabinet consideration, the influential Times, which frequently paves the way for Government action, strongly advocated it editorially today saying:

"There is no reason why the might of the RAF should be confined to this country.

"The dispatch, for instance, of a numerous and representative British air force to France in the immediate future, either for a courtesy visit or for actual participation in any displays or maneuvers which French authorities may be organizing, would not be superfluous even from a technical point of view, nor would it lessen even temporarily the readiness of our home defenses to meet any sudden emergency."

May Visit Other Nations.

Demonstrations by Squadrons of British planes in Poland, Rumania, Greece and Turkey, who have received British guaranties of aid against attack, also would be feasible, the Times said.

The use of France as an operating base for a large section of the British air force in wartime was believed by foreign military experts to be planned by the General Staff. Such flights as the Times advocated thus would have a strategic as well as a psychological value.

The opinion was expressed widely in political quarters that a more specific declaration was needed on how Britain's pledge to Poland would operate in the case of a coup from within Danzig.

The Yorkshire Post's diplomatic correspondent, predicting such a statement, said:

"To warn Germany that Britain would back Poland in the event of a conflict over Danzig was one of the objects of Lord Halifax's speech of last Thursday. But in view of the extreme importance of leaving Germany under no illusions, it is felt that a still more pointed warning may be desirable."

See Delay in Soviet Pact.

Political observers foresaw another delay, possibly of several weeks, before negotiations at Moscow resulted in a British-French-

Soviet mutual-assistance pact. Some suggested that a Cabinet minister might be sent to Moscow with full powers to bargain for an immediate acceleration in the negotiations. This suggestion was prompted by a fear that continued delay in completing the pact might be a temptation to Nazis to engineer a Danzig coup.

Apart from any projected display abroad of Britain's air strength thousands of warplanes will undergo a rigorous test in war games in late July and early August. It was reported the test probably would stimulate actual wartime mobilization.

Air Ministry officials characterized it as "considerably more comprehensive" than anything previously attempted, but they declined to say what proportion of the entire warplane strength would be used. The test will be the air force's part of the annual fall general services (army, navy and air force) exercises.

Expects No Early Coup.

PARIS, July 6 (A. P.).—Polish Ambassador Jules Lukasiewicz was reported by French sources to have told Foreign Minister Georges Bonnet today that Warsaw did not expect German action against the Free City of Danzig "in the immediate future."

The two conferred for nearly an hour.

The same sources said that Poland planned to delay its prospective protest to the League of Nations until the situation of the Free City became more critical.

Eden Sounds a Warning.

LEAMINGTON, England, July 6 (A. P.).—Anthony Eden, former Foreign Secretary, said in a speech today that European leaders must negotiate some system of international order or Europe will be plunged into war at the next act of aggression.

"To imagine that we can be worn down by a succession of alarms or be browbeaten by repeated thrusts is to cherish the most dangerous illusion," he said.

Reaction in Berlin.

BERLIN, July 6 (A. P.).—Deutsche Diplomatische-Politische Korrespondenz said today that the British Government's bill to provide war materials credits for its allies was "a logical followup of efforts England already has pursued to draw as many foreign countries as possible into its military retinue."

The semi-official Foreign Office mouthpiece said:

"Not only the countries with which England is allied on a basis of mutual guaranty of security are intended to be bolstered militarily with English means, but also such States as Rumania and Greece, which heretofore have only been drawn into the guaranty net passively, now can learn that apparently a more active role in the encirclement system is planned for them than they previously had supposed."

"They will be armed at English expense in order to stand ready in the event Great Britain needs them."

British Propaganda Letters Get Rise Out of Nazi Chiefs

Communications Denounce Hitler Policy, Predict German Defeat

BERLIN, July 6 (A. P.).—German officials have interested themselves in private letters received by Germans from England in which Chancellor Hitler's foreign policy is denounced and the defeat of Germany in another war predicted.

Informed quarters hinted that some counter action might

be taken. They said the letters were part of a larger British campaign to go over the Nazi Government's head and attempt to drive a wedge between it and the German people.

(For months the British Broadcasting Corporation has been broadcasting daily German-language news programs, especially speeches by Prime Minister Chamberlain and others which the British Government wants to get before the German people.)

Received in Germany

Mimeographed letters signed "Stephen King-Hall, 162 Buckingham Palace Road, London," have been received in various parts of Germany.

The Vienna Voelkischer Beobachter today printed a facsimile of part of one letter and government officials said that some recipients were sending in the letter with such remarks as "what sort of stupid propaganda is this?"

(Commander Stephen King-Hall is a retired British naval officer now editor and proprietor of the K.-H. News-Letter Service. He is the author of books on military, naval and political affairs and also of several plays.)

King-Hall was quoted as having expressed doubts in the letter that the world can have peace if the present German policy is continued, and as having stated:

"Your leaders—at least Ribbentrop, Goebbels and Himmler—are quite impossible persons"—(Foreign Minister Joachim von Ribbentrop, Propaganda Minister Paul Joseph Goebbels, Heinrich Himmler, chief of all German police.)

Predicts Dictated Peace

The Briton was quoted as predicting Germany's defeat in the event of war, saying that war would end with a dictated peace "compared with which Versailles would be child's play."

Commenting on the letter, Wolfgang Waupke, economic editor of the Voelkischer Beobachter, said:

"In an armed conflict with the authoritarian States the British cannot win. And now they try to persuade us that suicide would be the prettiest death for us. King-Hall is not a private person. He is not a pacifist, not a seaman nor a journalist."

"He is an official of the propaganda department and conveys to us the interesting information that this office is coupled with the intelligence service, a British espionage organization which seeks its cheap helpers in Germany. What later becomes of the 'dear German reader' does not matter."

The letter started out: "Dear German reader."

Receives Number of Replies

LONDON, July 6 (A. P.).—Commander Stephen King-Hall, publicist, said today that he was sending to Germany in considerable numbers letters to individual Germans setting forth his views on foreign affairs which he hoped would be enlightening.

He did this, he emphasized, as a private citizen.

The commander said he had received a considerable number of replies.

Today the Mine Workers Federation of Britain decided to send a plea to German miners to help fight aggression and "to try to secure freedom in their own country."

The message will be relayed by radio and by underground channels.

NAZIS AROUSED BY PROPAGANDA FROM ENGLAND

Counter-Campaign Accuses Britain Of Mixing In Internal Affairs

Germans Say Broadcasts And Letters Have No Chance Of Success

(By the Associated Press)

Berlin, July 6—Nazis were stirred up tonight over what they call a British campaign to undermine Adolf Hitler in the eyes of his people, and

counter-propaganda appeared charging Britain with mixing in the Reich's internal affairs.

The campaign is being met through the press, radio and platform speakers, with ridicule and irony the principle weapons, to show the German people that, as one official put it tonight, "it is really amazing that the British people believe we could be tripped again."

Another step toward counteracting this "challenge" and toward keeping the world better informed about Nazi policy has been taken by Foreign Minister Joachim von Ribbentrop. He is reorganizing the Foreign Office's information section, enlarging it and placing in charge younger men steeped in Nazi principles.

No Chance Of Success

Officials asserted that British attempts to reach the German people with the English viewpoint through underground means and news broadcasts in German "haven't the slightest chance of success."

They said Germany was misled by this sort of propaganda during the World War, and "the consequences were a sufficient lesson."

A form letter has been received by many Germans from Commander Stephen King-Hall, retired naval officer and English publicist, in which Hitler's foreign policy was denounced and a catastrophe for Germany predicted in event of a war.

This letter, along with a decision of British mine workers today to relay a message to German miners by radio and "underground channels," was the latest cause of indignation here. The miners' plea was for German miners

to help "fight aggression" and "to secure freedom in their own country."

Attack B. B. C. Broadcasts

Previously under Nazi fire here has been the regular news broadcast from London in the German language by the Government-controlled British Broadcasting Corporation.

The Vienna edition of Hitler's Voelkischer Beobachter printed excerpts from King-Hall's form letter, which appeared to have been sent to persons in all walks of life.

The letter was quoted as saying peace cannot reign if the present German policy is continued, and that "your leaders—at least Ribbentrop, Goebbels and Himmler—are quite impossible persons" (Foreign Minister von Ribbentrop, Propaganda Minister Paul Joseph Goebbels and Heinrich Himmler, chief of all German police).

The German recipients were told that after another war, which Germany would lose, a peace would be dictated "compared with which Versailles would be child's play."

Nazi Press Assails Roosevelt On Neutrality

Berlin, July 6 (A. P.).—Nazi publications expressed great irritation today over President Roosevelt's July 4 comment on United States neutrality legislation. Adolf Hitler's newspaper Voelkischer

Beobachter declared that "Roosevelt again has dug up the war hatchet." The semi-official commentary, Deutscher Dienst, said: "The intention of Roosevelt to line up America in the encirclement front does not lessen the danger of a world war, but on the contrary, increases it."

The commentary service said that to maintain that Germany welcomed the action was a "biased falsification" and added the President "perhaps was under pressure of the many exploding firecrackers" in making his statements at his Fourth of July press conference.

Again On War Path

The Morgenpost pictured Mr. Roosevelt as "again on the war path." Voelkischer Beobachter referred to Hitler's answer to the President's April 15 cabled appeal to Hitler and Mussolini for ten years of peace and guarantees for smaller European nations.

"Herr Roosevelt poured for two and a half months," Voelkischer Beobachter said, "and reasonable politicians of the United States used this time to force out of the so-called neutrality law—which in reality would involve the United States in every European war—some of its most venomous fangs. . . ."

"No reasonable man could really take it amiss that the (Rome-Berlin) axis partners are not exactly sorrowful when a part of the North American representatives do not join in the indecent war agitation of their President."

"However, to make a 'threatening danger of war for the United States' out of this attitude is a maneuver, as shameful as it is stupid. . . ."

HITLER DEFENDED BY GLOOMY DEAN

Inge Says Germany Should

Not Have Lost Danzig.

LONDON, July 6 (A. P.).—The Very Rev. W. R. Inge, the former "gloomy dean" of St. Paul's, writing in the Church of England newspaper, said today that "without in any way minimizing the unfriendliness of German leaders" Britons "ought to admit that there has been a great deal of provocative language on our side." He asserted that Premier Mussolini's "aggressions have been more shameless than (Chancellor) Hitler's."

"Until the annexation of non-German Bohemia, Hitler had merely tried to rectify without bloodshed some admitted injustices of the peace of 1919," Dean Inge wrote.

"We ought to admit . . . that we have been too ready to attribute to German intrigue every rebelliousness in our empire, from India to Palestine and even to Irish criminals."

"We are not free from blame. We are censorious and slow to enter into alien points of view. Versailles (the world war peace treaty) had to be revised with or without war."

"Hitler is trying to do it without war. He cannot be allowed to have everything his own way; but are we going to fight over Danzig, a thoroughly German town, which never ought to have been separated from the Reich?"

"Things which we hate in Germany are largely the creation of the allies, especially France, after the peace."

WRITER PUTS WAR ISSUE UP TO HITLER

Wheeler-Bennett Says That Britain No Longer Drifts.

CHARLOTTESVILLE, Va., July 6 (A. P.).—John W. Wheeler-Bennett, British lecturer and author, said today the "choice and responsibility for peace or war lie squarely upon the shoulders of Adolf Hitler."

"The rulers of Germany," he told the University of Virginia's Institute of Public Affairs, "have it within their power" to abandon their policy of "insatiable acquisitiveness," but if they do not "their challenge will be accepted and force will be met by force."

Mr. Wheeler-Bennett said that Great Britain had turned from a policy of drift and once again is heading a coalition against the domination of Europe by one Power.

"My own feeling," he added, "is that the revolution in British foreign policy has appreciably lessened the chances of an immediate

war and has greatly increased the chances of winning any ultimate conflict which may arise."

Major-Gen. Charles Wesson and Rear Admiral W. R. Furlong, chief of ordnance for the army and navy, praised the co-operation which they said American private industry had given this country's military forces.

Gen Wesson said if "we can still

further enhance this close association we will have added to a considerable degree to national safety. Admiral Furlong said he had found private industry "more than willing to co-operate."

ENGLAND ACTS TO STRENGTHEN ALLIES' FRONT

Parliament Asked For \$234,000,000 Credit To Help Purchase Arms

Britain Decides To Send 52 Planes To France For Bastille Day Fete

[By the Associated Press]

London, July 6 — Great Britain launched a series of moves today to strengthen the British-French front and at the same time to remove doubts as to the course she will follow in the event of new efforts to change the map of Europe.

The moves included:

Introduction of a measure in Parliament to provide a \$234,000,000 credit fund to help her allies buy arms.

Announcement that the Continent would see a sample of the British air power next week when fifty-two Royal Air Force planes go to Paris for the Bastille Day exercises July 14.

Announcement that a number of air force reserves would be called up during the next three or four months as a test mobilization exercise.

Premier Puts Off Speech

Although it was first reported that Prime Minister Chamberlain would make a statement tomorrow in the House of Commons, informed sources said later that he would not speak since the Government was anxious to refrain from making the international situation more difficult.

The Government also completed a

draft of new instructions which were expected to be sent to Sir William Seeds, British Ambassador to Moscow, tonight or tomorrow in an effort to smooth out a tangle reported holding up completion of the proposed British-French-Russian mutual assistance pact.

There was no indication as to the nature of the new proposals which were worked out by the British and French in a series of conferences both here and in Paris.

The credit bill, which adds £50,000,000 to the £10,000,000 (\$46,800,000) voted spring, was expected to be rushed through Parliament before the end of month.

Mainly For Arms

does not provide specifically that credits shall be used for arms munitions—but Government circles they would be confined almost exclusively to that purpose.

move to send Royal Air Force to France came as a surprise when several quarters had been the Government to demonstrate the nation's air strength for Germany's benefit.

The Air Ministry, however, made no reference to the European situation in announcing that the planes, five squadrons in all and including both fighters and bombers, would fly to Le Bourget airdrome next Monday and remain until after July 14. Then they will fly over Paris in formation as part of the exercises commemorating the fall of the Bastille.

"Final" French Attempt Made For Soviet Accord

Paris, July 6 (A. P.).—New British-French proposals for a mutual assistance accord to include Soviet Russia, which were sent to Moscow today, were characterized tonight by sources close to the French Government as a "last attempt" to win Russia to the pact.

If the renewed negotiations fail, these sources said, the plan for a mutual military assistance agreement may be scrapped in favor of a simple declaration by the three powers.

Diplomatic interviews in Paris and London were reported to have clarified the position of the French and British governments for continuing the conversations which started more than twelve weeks ago.

Final Effort, Says Bonnet French Foreign Minister Georges Bonnet was said to have told Jakob Surits, Soviet Ambassador to France, and Lord Halifax, British Foreign Secretary, that the revised proposition sent to Moscow constituted a final effort to bring about an accord.

In informed quarters the new proposals were said to be limited almost entirely to the question of joint guarantees to three states bordering on

Russia, Finland, Estonia and Latvia.

Russia previously had been reported to have stalemated the negotiations by questioning proposals to guarantee the Netherlands and Belgium.

Most of the smaller states had signified objections to such guarantees as conflicting with their traditional neutrality. Only Luxembourg asked to be included in the projected three-power accord.

LONDON--FIRST ADD NIGHT LEAD BRITISH XXX OF THE BASTILLE.

TEN WELLINGTON LONG-RANGE BOMBERS OF THE ROYAL AIR FORCE ALSO

WILL TAKE PART IN A FLYING EXHIBITION AT BRUSSELS SUNDAY, THE AIR MINISTRY ANNOUNCED.

THE PLANES, CARRYING 61 OFFICERS AND MEN, WILL FLY TO BRUSSELS TOMORROW.

ONE OF THE BOMBERS WILL BE DISPLAYED AT THE BRUSSELS INTERNATIONAL AERONAUTICAL EXHIBITION JULY 8-23.

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Poles Boost Arms Funds

Warsaw, July 6 (A. P.).—The Polish Cabinet today provided additional funds for armaments by transferring about \$11,000,000 from the regular budget to the War Office.

SYRIAN TO RESIGN

President Plans to Quit as Protest Against France.

DAMASCUS, Syria, July 6 (A. P.).—Officials attached to the Syrian presidency announced today that the President, Hachim Bek El Atassy, had decided to resign as a protest against French failure to give Syria its independence.

Syria has had no Cabinet since that of Premier Nassouh Alhoukhar resigned May 30 after a six-day rule.

The Syrian Nationalist bloc, which holds a majority in Parliament, has refused to support any government until France renews the pledges of independence made in the French-Syrian treaty which France has failed to ratify.

800 Jews Leave Slovakia

Bratislava, Slovakia, July 6 (A. P.).—Eight hundred Jews sailed down the Danube today, en route to Palestine, bringing to 15,000 the number of Jews estimated to have emigrated from Slovakia.

Zog Leaves Bucharest

En Route To France

Greeting From Albanians At Sta-

tion Stir Exiled King Deeply

Bucharest, July 6 (A. P.).—Exiled King Zog and Queen Geraldine of Albania left tonight for the Polish port of Gdynia en route to France.

Greeted at the station by a group of Albanians, Zog was deeply affected and entered his private railway car

quickly to hide his emotions.

The King retreated . . . such great haste that he forgot to pay dozens of porters who began to clamor for their money. King Carol's adjutant, who accompanied Zog to the station, quickly settled their claims.

The dethroned Albanian monarch and his suite arrived here Sunday from Istanbul, Turkey.

Germany And Bulgaria Toast Their Friendship

Nazi Foreign Minister Entertains Visiting Premier At State Banquet

Berlin, July 6 (A. P.).—Foreign Minister Joachim von Ribbentrop and Bulgarian Premier George Kiosseivanoff tonight toasted the years of friendship between their peoples—"strengthened by comradeship in arms during the World War."

The Foreign Minister entertained the visitor at a banquet following a long meeting at the Foreign Office. Bernardo D. Attolico, Italian Ambassador, and his wife also attended the dinner.

Berlin, July 6

VON RIBBENTROP

DECLARED "IN THE

PRESENT STRUGGLE FOR A FREE AND PEACEFUL DEVELOPMENT WE STAND TOGETHER IN FRIENDSHIP AND TRUST."

30.24-2409

30.24-2409

TO WHICH KIOSSEIVANOFF REPLIED,

"THE EFFORTS OF MY FATHERLAND TOWARD AN ECONOMIC DEVELOPMENT
CONSTANTLY HAVE FOUND A FRIENDLY UNDERSTANDING IN GERMANY

X X X."

JUL 7-1939

APL SHANKS 00015 CAF 905A

**Czech Defy Nazis Ban
To Honor Martyr Huss**

**Thousands Join Religious Rites
Throughout Protectorate**

PRAGUE, July 6 (AP).—Pious Czechs defied today a ban by Nazi protectorate authorities on large-scale commemorations of the martyrdom of Jan Huss, Bohemian religious reformer, who was burned at the stake on July 6, 1415. The commemorations began throughout the country last night, and bonfires gleamed on many hilltops in the Beskiden Mountains.

More than fifty thousand people gathered at an outdoor religious meeting in Radhost, Moravia. Radhost is one of the oldest strongholds of the Slavic Catholic religion. Fifteen thousand people participated in a religious service at the foot of the Huss Memorial in front of the Prague City Hall last night. A wreath was laid on the monument this morning.

Rudolf Gajda, leader of Czech Fascists, issued a proclamation tonight, in the name of his followers and the Nationalist group, announcing that no more Fascist demonstrations were to be held.

Warning Fascists against participating in any such manifestations and against circulars distributed by radicals seeking to "disturb" national unity, Gajda said the Fascists had rejoined the Czech Unity party, which alone is legal in the protectorate. He said the decision was made last Sunday by representatives of Fascists and Nationalists from the entire protectorate.

THE CONFERENCE, FOLLOWING UPON YESTERDAY'S MEETING OF THE "BIG FIVE" COUNCIL, WAS BELIEVED TO HAVE DEALT DIRECTLY WITH FORMULATION OF POLISH POLICY REGARDING CONTINUED REPORTS OF SECRET MILITARIZATION OF THE FREE CITY OF DANZIG WHICH POLAND CONSIDERS A DIRECT VIOLATION OF HER RIGHTS THERE.

IMMEDIATELY AFTER THE MEETING, FOREIGN MINISTER JOSEPH BECK RECEIVED CLIFFORD NORTON, BRITISH CHARGE D'AFFAIRES. IT WAS THOUGHT BECK TOLD HIM TO WHAT EXTENT POLAND WAS READY TO TOLERATE THE REPORTED MILITARIZATION.

ALTHOUGH LEON NOEL, THE FRENCH AMBASSADOR, WHO RETURNED TO WARSAW YESTERDAY, HAD NOT YET BEEN RECEIVED BY BECK, FOREIGN CIRCLES WERE CONVINCED THE CONFERENCES YESTERDAY AND TODAY WERE DIRECTLY IDENTIFIED WITH PLANS FOR SOME FORM OF THREE-POWER DECLARATION TO DANZIG.

BE920PED

WARSAW, JULY 5-(AP)-PRESIDENT IGNACE MOSCICKI CONFERRED TODAY WITH LEADERS OF THE POLISH GOVERNMENT, INCLUDING MARSHAL EDWARD SMIGLY-RYDZ, "SECOND PERSON IN THE STATE," TO CONSIDER "THE CURRENT STATE OF AFFAIRS."

JUL 6-1939

WARSAW, JULY 6 (AP)—INDICATION THAT

THE POLISH GOVERNMENT AFTER TWO DAYS OF HIGH COUNCIL MEETINGS HAD REACHED A DECISION ON STEPS TO MEET ANY FURTHER REPORTED MILITARIZATION OF THE FREE CITY OF DANZIG ^{was} SEEN TONIGHT IN THE DEPARTURE FROM WARSAW OF PRESIDENT IGNACE MOSCICKI.

JUL 7-1939

THE DEPARTURE OF THE PRESIDENT FOR A

SHORT VISIT AT HIS COUNTRY RESIDENCE ALSO WAS REGARDED AS EVIDENCE OF A RELAXATION OF TENSION.

JUL 7-1939

FOREIGN MINISTER JOSEPH BECK RECEIVED

LEON NOEL, THE FRENCH AMBASSADOR, WHILE COUNT JAN EN SZENBECK, VICE MINISTER OF FOREIGN AFFAIRS, CONFERRED WITH THE SWEDISH MINISTER. CLIFFORD NORTON, BRITISH CHARGE D'AFFAIRES, ALSO HAS BEEN IN CLOSE CONSULTATION WITH BECK.

IT WAS ~~DECLARED~~ OFFICIALLY THAT POLAND HAD ADDRESSED A NOTE OF ANY KIND TO THE DANZIG SENATE AND IT WAS ANNOUNCED THAT NO FORMAL PROTEST BY POLAND WAS CONTEMPLATED FOR THE IMMEDIATE FUTURE.

JUMPED TO THE CONCLUSION THAT THEY WOULD BE INCLUDED IN THE SWEEP. ROME, TOO, SPECULATED UNEASILY OVER THE POSSIBILITY THAT GERMANY WOULD TRY TO ANNEX THE SOUTH TYROL, ESPECIALLY AFTER THE ANNEXATION OF AUSTRIA.

THE SITUATION, SO FAR AS THE BERLIN-ROME AXIS WAS CONCERNED, WAS VASTLY EASIED A YEAR AGO DURING HITLER'S VISIT TO ROME. MEN THEN FORESWORE ALL CLAIMS TO THE SOUTH TYROL.

THAT WENT A LONG WAY TO REMOVE ITALIAN UNEASINESS, BUT THERE STILL REMAINED THE PROBLEM OF DEALING WITH THE GERMANS IN THE TYROL, AND THEY WERE A DECIDED HANDFUL.

FOR NEARLY TWENTY YEARS ROME'S ATTEMPTS TO ITALIANIZE THIS DISTRICT HAD BEEN MET BY STUBBORN REFUSALS OF COOPERATION. NON-COOPERATION IS A PRETTY HEFTY WEAPON, AS GANDHI, INDIA'S POWERFUL SPIRITUAL AND NATIONALIST LEADER, HAS DEMONSTRATED IN HIS BATTLES WITH THE GOVERNMENT.

Bata Says Cash For Trip to U.S. Was Hard to Get

Head of Big Czech Shoe Firm, Planning to Return, Says Nazis Treated Him Well

Jan Bata, of Zlin, Czechoslovakia, famous shoe manufacturer, arrived from Europe yesterday aboard the French liner Ile de France for a brief visit and an inspection tour of the new factory site at Belcamp, Md., where the Bata Company hopes ultimately to employ 10,000 shoe workers. Mr. Bata, head of a firm whose total assets have been estimated at nearly \$300,000,000, smilingly admitted to reporters that he had found it rather difficult to raise enough cash for the trip.

He made the voyage accompanied by his wife, their five children, a nurse and a maid. The transportation bill for that kind of a party can run fairly high, and with central European currency restrictions what they are, even one of the Continent's outstanding industrialists may find himself obliged to do some fancy planning to accumulate enough hard and folding money for the excursion.

Mr. Bata said he had depended on foreign friends to help him make the necessary legal transfers and gather the "valuta"—foreign ex-

change, including dollars and pounds—that he needed for his family trip to America. Europe's tall, burly, shock-haired shoe king made it clear that he was neither surprised nor outraged at having to go through this process. In Europe, he explained, you just take those things

BY DENITT MACKENZIE

ASSOCIATED PRESS FOREIGN AFFAIRS WRITER

NEW YORK, JULY 6—REPATRIATION OF SOME 200,000 FORMER AUSTRIAN SUBJECTS WHO WERE TAKEN OVER BY ITALY WHEN THAT COUNTRY ANNEXED AUSTRIA'S SOUTHERN TYROL AT THE END OF THE WORLD WAR WILL TEND TO REMOVE WHAT HAS BEEN A GRAVE DANGER-SPOT TO ITALO-GERMAN RELATIONS.

BITTERNESS BETWEEN THE GERMANIC TYROLESE AND THEIR NEW RULERS HAS RUN DEEP EVER SINCE THE WAR. AND AS LONG AGO AS 1935 HERR HITLER, WHO MADE HIMSELF CHAMPION OF GERMAN MINORITIES, TOOK A HAND IN SUPPORT OF THIS SO-CALLED MINORITY, WHICH ACTUALLY CLAIMED A MAJORITY IN ITS OWN DISTRICT.

WHEN THE NAZI CHIEFTAIN MADE KNOWN HIS INTENTION TO REINCORPORATE IN THE REICH GERMAN PEOPLES ON HIS BORDERS, MANY OF THE TYROLESE

1533
30.24-2411

THEN MESSRS HITLER AND MUSSOLINI GOT TOGETHER AND AGREED TO A PLAN WHEREBY GERMANS IN THE SOUTH TYROL WOULD BE TRANSFERRED TO THE REICH. MUSSOLINI WAIVED ANY CLAIMS ITALY MIGHT HAVE TO CITIZENSHIP ON THESE PEOPLE, AND THEY WERE TO BE PERMITTED TO DECIDE WHETHER THEY WANTED TO REMAIN IN THE TYROL OR GO "HOME." ITALY ALSO UNDERTOOK TO GIVE THE EMIGRANTS FINANCIAL AID.

THIS LOOKED LIKE A SOLUTION OF THE LONG-STANDING DIFFICULTY PROVIDING IT WERE MADE EFFECTIVE. THE BIG FEATURE FROM THE ITALIAN STANDPOINT WAS THAT WITH THE ELIMINATION OF THE GERMANS FROM THE TYROL, THE NAZIS WOULD BE UNLIKELY TO MAKE TERRITORIAL CLAIMS IN THIS REGION.

IMPLIMENTATION OF THE AGREEMENT IS UNDER WAY. SEVERAL THOUSAND GERMANS ALREADY HAVE GONE INTO GERMAN TERRITORY, AND PRESUMABLY THE REST OF THE 200,000--OR AS MANY AS WISH IT--WILL FOLLOW AS FAST AS IT IS POSSIBLE TO MOVE SUCH A GREAT COLONY.

QUITE APART FROM THE POLITICAL APPEASEMENT, THE TRANSFER OF THESE PEOPLE, AND THEIR SETTLEMENT IN NEW HOMES, WILL PROVIDE AN INTERESTING AND VALUABLE STUDY TO OTHER STATES WHICH ARE FACED WITH PROBLEMS OF THIS NATURE.

MANY OBSERVERS AND STATESMEN HAVE BEEN INCINED TO REGARD THIS ITALO-GERMAN ARRANGEMENT AS AN INDICATION THAT INTERNATIONAL DIFFERENCES STILL ARE SUSCEPTIBLE TO ADJUSTMENT BY NEGOTIATION--PROVIDED ALL PARTIES CONCERNED ARE PREPARED TO GIVE AS WELL AS TAKE.

IN THIS INSTANCE THE BACKGROUND FOR NEGOTIATION WAS ABOUT AS UNFAVORABLE AS ONE COULD IMAGINE. THE TYROL GERMANS CHARGED THAT THE EFFORTS AT ITALIANIZATION WERE SO SWEEPING AS TO FORBID, FOR EXAMPLE, GERMAN KINDERGARTEN STUDENTS TO SPEAK THE LANGUAGE OF THEIR

30.24-2411

PARENTS, BUT TO COMPEL THEM TO USE ITALIAN, OF WHICH THEY WERE IGNORANT. IT WAS FURTHER ASSERTED THAT ALL GERMAN STREET SIGNS WERE ORDERED REPLACED BY ITALIAN, AND EVEN THE USE OF GERMAN MARKS ON HOTEL LINEN WERE FORBIDDEN.

IT WAS ONLY FOUR YEARS AGO THAT THERE WAS A BITTER FIGHT BETWEEN THE BERLIN AND THE ROME PRESS, WHEN THE GERMANS ALLEGED THAT MANY PERSONS HAD BEEN SHOT IN THE ITALIAN TYROL.

THE ITALIANS VIGOROUSLY DENIED THE EMPLOYMENT OF REPRESSIVE MEASURES AGAINST THE GERMANS. STILL, IT WAS NATURAL THAT THE BITTERNESS BETWEEN THE TWO PEOPLES SHOULD CONTINUE TO GROW UNDER THE CIRCUMSTANCES.

NOW IT WOULD APPEAR THAT THE GERMAN MINORITY WILL ONCE MORE BE UNDER GERMAN RULE, SIGNOR MUSSOLINI WILL KEEP THE SOUTH TYROL, AND HERR HITLER WILL HAVE MADE GOOD HIS PROMISE AS CHAMPION OF HIS FOLK.

U72947D

London May Bar Danzig Shift

Due to Hold Any Change Without Approval of Poland an Act of Aggression.

LONDON, JULY 7 (A.P.).—Parliamentary circles believed today that Prime Minister Chamberlain on Monday would declare that any German-supported change in the status of Danzig, except by a Polish-backed agreement, would be considered an act of aggression by Germany.

The Prime Minister had been expected to make a statement in the House of Commons today, but postponed it because of technicalities in parliamentary procedure.

Some indication of the nature of the proposed declaration was seen in a question filed in the House of Commons by Harold MacMillan, a member of the Conservative

party, to be answered Monday.

The question, which informed sources said was framed at Mr. Chamberlain's request, asks whether "the Government will issue a declaration that any change in the present status of Danzig, other than by agreement to which the Polish Government is a party, whether brought about externally by military action on the part of Germany or internally by a move-

ment initiated or supported by the German Government, will be regarded as an act of aggression on the part of Germany and therefore covered by the terms of our pledge to Poland."

Affirmative Reply Seen.

It was understood that the Prime Minister would give an affirmative reply.

[The undertaking as announced last March 31 by Chamberlain was: "In the event of any action which clearly threatened Polish independence and which the Polish Government accordingly considered it vital to resist with their national forces, his Majesty's Government (and France) would feel themselves bound at once to lend the Polish Government all support in their power."]

Count Edward Racynski, Polish Ambassador to London, will return to his post from Warsaw by air tomorrow after a series of talks with his Government on the Danzig situation.

Sir Neville Henderson, British

Ambassador to Berlin, who came to London earlier this week and reported on the German attitude to Foreign Secretary Lord Halifax, was received by King George VI this morning.

New Orders Go to Moscow.

The British Government sent fresh instructions to Sir William Seeds, Ambassador to Moscow, late last night in an effort to smooth out difficulties which were raised in the latest talks on the proposed British-French-Soviet Russian mutual assistance pact.

Great Britain was reported in diplomatic circles to have decided to withdraw her suggestion that the Netherlands and Switzerland be guaranteed by the proposed pact, and this decision, said to have been taken to speed negotiations in Moscow, was understood to have been one of the main points in new instructions sent to Sir William.

Diplomats asserted that the British Government had taken the view that discussion of these guarantees and counter-issues raised by Russia would cause indefinite delays and that it would be better to postpone the question until after Russia had adhered to the British-French bloc.

One belief expressed in some unofficial political quarters today was that the Nazis might shift their immediate attention from Danzig to southeast Europe during an apparent lull in tension between Germany and Poland.

"Watch the Balkans," the Daily Mail warned, and demanded a "plain statement" of British policy in the event of Hungarian or Bulgarian aggression, backed by Germany, against Rumania.

Noting the visits in Berlin of Premier George Kiossevanoff of Bulgaria and Gen. Henry Werth, chief of the Hungarian general staff, the newspaper asked, "Where would Britain stand" if Germany supported Hungarian claims to Transylvania or Bulgarian agitation for Dobrudja—both Rumania territory.

Cites Pledge to Rumania.

"We are pledged to assist Rumania if her independence were threatened... would it (the pledge) operate if Hungary or Bulgaria were the aggressors," the Daily Mail asked.

Usually well informed sources said there was a possibility that the participation of fifty-two Royal Air Force planes in Bastille Day exercises in Paris July 14 would be followed by R. A. F. visits to other countries to which Britain has given guarantee of help if attacked.

The Daily Telegraph said that the Paris visit "may be assumed to be the forerunner of longer and more frequent stays by British machines and personnel in France and by French squadrons in this coun-

try." The newspaper also suggested "large R. A. F. missions to Eastern Europe" to make clear "beyond all doubt that Britain has wholeheartedly abandoned isolation."

Commenting on repeated delays in negotiations to add Soviet Russia to the British-French front, the Telegraph welcomed a British trade guarantees bill as a "notable step" in contriving other means of reinforcing the peace front. The measure was introduced yesterday in Parliament to provide a £50,000,000

(\$234,000,000) credit fund to help British allies buy arms.

points holding up the talks.

Prime Minister Neville Chamberlain postponed a statement he was to have made in the House of Commons defining Britain's position on Danzig. Informed quarters said he now plans to make it early next week, probably Monday, and it was understood he would state that any German-supported attempt to change the status of Danzig without Poland's consent would be resisted.

Danzig Issue Quiet

There were no developments reported in Danzig to cause new alarm and Government circles expressed the belief there was no immediate danger

raid exercises tomorrow night. There will be a general blackout in these counties, particular care being taken along 250 miles of coastline in Kent and Sussex. A complete air-raid rehearsal is planned.

Port Test Planned

Tomorrow afternoon and night there will be a test of the whole wartime organization of the Port of London Authority, including rescue, fire and ambulance services, along the banks of the Thames.

The British Broadcasting Corporation, in cooperation with the War Office and the Air Ministry, will broadcast a program Monday night demonstrating

[By the Associated Press]

Berlin, July 7—Britain was accused tonight by *Deutsche Dienst*, the official German news agency commentary, of attempting "to spin as perfect an espionage net as possible over all Germany."

The comment was made in connection with the recall of Donald St. Clair Gainer, British consul general in Vienna, which Germany requested June 21 after the German consul general in Liverpool, Walther Reinhardt, was recalled at Britain's request.

German officials said Gainer was involved in espionage affairs and the commentary declared England was "not particular" about her methods.

"Schooled Men" Used

"Especially suitably schooled men of the great English news organization, of the secret service and intelligence service have been commandeered for the personnel of official English representations in consulates and consulates general and, above all, passport offices."

"This infiltration of the consular service with professional spies and secret agents in the long run will be intolerable," said the commentary.

"The English Government for some time has resorted to turning out respectable and innocent German men from England because of its mental state of morbid distrust and excessive fright, but above all, with the view to proving alleged aggressive intentions by Germany and thereby to poison further the international atmosphere."

Nazi Eye Balkans

The charges against Britain were made while most of Nazi attention was centered on the Balkans. An official communique said Germany's "political, economic and cultural ties" with Bulgaria were to be strengthened.

Officials and the press expressed warm sympathy for Bulgaria's desires to regain territory she lost in the World War settlement to Rumania and Yugoslavia.

Meanwhile the controlled press pounded away against Britain's decision to provide credits for arming her allies.

Der Angriff, newspaper of Paul Joseph Goebbels, Propaganda Minister, called the project "death credits for British vassals," while *Nachtausgabe* said "the pound flows for war purposes."

Communique Issued

A communique was issued at the close of the three-day state visit of Bulgaria's Prime Minister, George Kiossevanoff, during which he had long talks with Adolf Hitler, Field Marshal Hermann Wilhelm Goering

and Joachim von Ribbentrop, Foreign Minister.

It said the conversations dealt with "the general situation as well as specific German-Bulgarian questions" and were carried on in the "natural and traditional" spirit of friendship between the two countries. Italy was mentioned as sharing Germany's interest in Bulgaria.

An official said, "Germany intends to do everything it can in southeastern Europe to maintain stable conditions."

With Yugoslavia and Bulgaria as friends we have reason to look with confidence toward the future."

Economic Pact Studied

An economic agreement between Germany and Bulgaria is understood to be under discussion. One result of the Premier's visit may be a state visit to Germany by King Boris.

Nazis said that Bulgaria's attitude was a "valuable element in consolidating the southeast."

Nazi support of Bulgaria's territorial claims was seen as a form of pressure on Rumania, with whom the Nazis recently have been displeased because of her flirtation with the British and French.

Yugoslavia, like Rumania, acquired Bulgarian territory after the World War, but as Nazis see it their backing of Bulgaria in no wise counters their active courtship of Yugoslavia.

The newspaper *Frankfurter Zeitung* said the British were finished in the Far East as "the predominating power."

"The British have lost face in the Far East," the newspaper said. "There is no other means except war to regain it, and they fear this war—must fear it as a plague."

"They can continue to complain and put questions in the House of Commons and send notes—but they can no longer change fate."

ALL LONDON - 1939
JUL 8 - SEVERAL OBSERVERS THOUGHT THAT GREAT BRITAIN'S

DECLARATIONS OF SUPPORT FOR POLAND APPEARED TO HAVE AVERTED A

CONFLICT OVER DANZIG--AT ANY RATE FOR THE TIME BEING--BUT MIGHT

HAVE BROUGHT BALKAN INREDETION TO THE FORE.

BRITAIN PLANS BIG AIR DEFENSE TEST

General Blackout In 15 Counties
Ordered As Part Of
Week-End Maneuvers

London Keeps Weather Eye
On Continent—Balkans
Seen Next Danger Spot

JUL 8 - 1939
[By the Associated Press]
London, July 7—Great Britain will give her air defenses a thorough test this week-end while Government leaders keep a careful watch on Danzig, the Far East and the Balkans. The Balkans are believed by many to be Europe's next danger spot.

Chief developments today were: New instructions were sent to Sir William Seeds, Ambassador to Moscow, in an effort to speed negotiations for a British-French-Soviet Russian mutual assistance pact. Diplomatic circles said the Government had decided not to insist on guarantees for the Netherlands and Switzerland, one of the

in the Far East.

Some quarters, however, expressed fears Adolf Hitler soon might shift his attention from the Free City of Danzig to southeastern Europe. These fears were voiced in the Rumanian press, which raised the question whether Germany might back Bulgaria's claims to Rumanian territory.

Political observers regarded as significant the fact that the Turkish and Yugoslav Ministers called at the Foreign Office during the day.

The purpose of their visits was not disclosed, but since both Turkey and Yugoslavia are neighbors of Rumania, it was assumed that reports from Bucharest were discussed.

Hope To Woo Russia

British Government circles expressed a hope that removal of the Switzerland and the Netherlands issue from the Moscow negotiations would cause Russia to withdraw her demands that Poland and Turkey sign mutual assistance pacts with her.

Elimination of these points, they believed, would open the way for an early agreement.

Britain's diplomatic activity was matched by intense military preparations.

Informed quarters said Britain and France were negotiating an agreement which would permit British planes to make practice flights to southern and southeastern France and use French airports.

Fifteen counties will take part in air-

the work of anti-aircraft units.

In an announcement of the broadcast, the corporation said:

"Many thousands of troops are at the moment manning anti-aircraft defenses of industrial Britain. These troops include members of the territorial army and the auxiliary air force manning anti-aircraft guns, searchlights, fighter aircraft and balloon-barrage units."

BRITISH SPIES COVER REICH, NAZIS CHARGE

Infiltration Of Consular
Service With Secret
Agents Alleged

JUL 8 - 1939
Berlin Bolsters Balkan
Ties — Rumania Fears
"Little Axis" Plan

ALL BERLIN - JUL 7
NAZIS WELCOMED A STATEMENT BY THE EGYPTIAN LEGATION HERE, ISSUED
THROUGH DNB, OFFICIAL GERMAN NEWS AGENCY, WHICH THEY INTERPRETED AS
A SLAP AT BRITISH POLICY AND AS STRENGTHENING THEIR POSITION IN
THE BALKANS.

30.24-2413

30.24-2413

IT SAID THE EGYPTIAN LEGATION WAS AUTHORIZED TO DECLARE THAT THE BALKAN TRIP OF EGYPT'S FOREIGN MINISTER, ABDEL FATAH YEHIA PASHA, "IN NO WAY HAS AN OBJECT OF SUPPORTING OR STRENGTHENING AN ENCIRCLEMENT POLICY AGAINST GERMANY."

THE STATEMENT ALSO DENIED THAT EGYPT HAD SIGNED OR INTENDS TO SIGN A MILITARY PACT WITH TURKEY, BRITAIN'S ALLY.

Banquet in Berlin.

BERLIN, July 7 (A. P.).—German Foreign Minister Joachim von Ribbentrop and Bulgarian Premier George Kiosseivanoff last night toasted the years of friendship between their peoples—"strengthened by comradeship in arms during the world war."

The Foreign Minister entertained the State visitor at a banquet following a long meeting at the Foreign Office. Italian Ambassador Bernardo D. Attolico and his wife also attended the dinner.

Balkan Agitation Alarms Rumania

Bucharest, July 7 (A. P.).—The Rumanian press voiced concern today over the talks of Bulgarian Premier George Kiosseivanoff with Adolf Hitler and asked whether Germany and Italy had promised to help Bulgaria reclaim territory from Rumania.

Newspapers said an answer should be obtained quickly so Rumania could warn her western friends, Great Britain and France, "in time."

Meanwhile, Dr. Nicolas Jorga, aged former tutor of King Carol, told the Senate that Rumania was in danger of having her exports monopolized by Germans under terms of the trade treaty signed after the dismemberment of Czechoslovakia in March. He said freedom in trade was necessary for a free Rumania.

Kiosseivanoff's visit to Berlin comes only a few weeks after the German Minister to Sofia, Baron Herbert von Richtofen, announced in the Bulgarian capital that "we are always thinking of Bulgaria's claims."

Reports that the Bulgarian Premier would consult regent Prince Paul of Yugoslavia at Bled Sunday on his return trip from Berlin added to Rumanian anxiety. Yugoslavia is a member of the Balkan

entente with Rumania, Greece and Turkey, but Bucharest observers fear she may withdraw and adhere to an axis-sponsored bloc which would include Bulgaria and Hungary.

Rumania Is Alarmed Over Plans Of Germany

Bucharest, July 7 (A. P.).—Rumania, richest of the Balkan powers, was openly alarmed tonight over what diplomatic circles described as a German plan for a "little axis" in South-eastern Europe.

Rumanians charged that the cordial reception given Bulgaria's Premier, George Kiosseivanoff, in Berlin this week was indication of Germany's efforts to weld Bulgaria, Yugoslavia and Hungary into a pro-axis bloc.

Significantly, Rumanians said, Kiosseivanoff's visit coincided with attendance of Gen. Henry Werth, chief of staff of the Hungarian army, at German maneuvers.

The Regent of Yugoslavia, Prince Paul, made a similar trip to Berlin last month.

En route home to Sofia, Premier Kiosseivanoff is scheduled to confer with Prince Paul at Bled, Yugoslavia, Sunday.

Bucharest newspapers demanded to know whether Führer Hitler had promised Bulgaria help in regaining the Black Sea region of southern Dobruja, which was lost to Rumania in the 1913 Balkan war.

They recalled that Hans Frank, Minister of Justice, had told Sofia newspapermen June 24 that Germany expected Bulgaria to be on her side "in the next war."

Trade Pact Attacked

In the Rumanian Senate Dr. Nicholas Jorga, former tutor of King Carol, attacked the German-Rumanian trade treaty as endangering his country's freedom. He said the treaty, which was signed after dismemberment of Czechoslovakia last March, threat-

ened Rumania with monopoly of her exports by Germany.

"I must point out," he said, "that the expansive force of Germany and her penetration tactics will be met with opposition here."

Newspapers of Sofia, capital of Bulgaria, commented cautiously on the probable outcome of Kiosseivanoff's visit, although they criticized the "injustices of the post-war system." They added: "Revision means peace"—revision of the World War settlement, which gave Bulgarian lands to Yugoslavia and Rumania.

Secret Pact Discounted
Bulgarian political circles discounted the possibility of a secret agreement with Germany since Kiosseivanoff had promised on April 20 not to exercise his constitutional powers for making undisclosed engagements.

Public sentiment was mobilized solidly behind the revisionists, however.

The Hungarian press discussed sympathetically Bulgaria's "grievances," while leading editorials denied that development of a new bloc was in progress.

Rumania pushed her program of rearmament and frontier fortifications. Premier Armand Calinescu has said: "Our frontiers will remain as immovable as long as there remains a single soldier able to hold a rifle in his hand."

POTATOES BECOME AN ISSUE IN DANZIG

Poles Accused of Stopping Trucks at Frontier.

FREE CITY OF DANZIG, July 7 (A. P.).—Potatoes today became the latest political issue in the Danzig-Polish quarrel.

Danzig officials said that Polish customs officials were refusing to permit trucks carrying potatoes to cross the frontier into the Free City's territory. Danzig housewives complained of a potato shortage.

The newspaper Neueste Nachrichten said that at one border point the Poles turned back potato trucks with the remark: "Poland is not interested in providing food for German soldiers stationed in the Free City."

German quarters in the Free City were exercised today by a report that a German citizen named Johannes Lux was arrested yesterday at the Polish border community of Raty on a charge of having assisted fugitive Germans to cross into German at unguarded points. Free City Nazis have scheduled a demonstration at Oliva Sunday at which Albert Forster, their leader, is to speak.

Paris Plans Africa Defense

Daladier and Bonnet Confer on Colonial Military Problems

PARIS, July 7 (A. P.).—Premier Edouard Daladier and Foreign Minister Georges Bonnet conferred today and it was reported they talked about French defense in Africa and the Near East.

Gen. Maurice Gamelin, commander-in-chief of all of France's defense forces; Alexis Leger, secretary-general of the Foreign Ministry, and Ernest Lagarde, director of the Africa and Near East department of the Ministry, attended the conference.

FRENCH BROADCAST PEACE PROPAGANDA

PARIS, July 7 (A. P.).—France has entered a world propaganda war by sending out daily broadcasts in six languages from seventeen stations.

Broadcasts in German, Italian, Spanish, English, Arabic and Serbo-Croat tongues present the viewpoint that France "is against war and desires a true peace."

Add - Paris - July 7

THE ADDITION OF THE SERBO-CROAT BROADCASTS WAS SEEN AS AN EFFORT TO PUT ACROSS THE FRENCH VERSION OF WORLD EVENTS TO YUGOSLAVIA.

UGOSLAVIA

Masaryk Statue Is Defaced

PRAGUE, July 7 (A. P.).—A statue of Thomas Masaryk, Czech national hero and Czechoslovakia's first President, was pulled down by Fascists today in Budweis, Czech quarters reported. The hands of the statue were broken off and the face was battered.

SYRIAN HEAD RESIGNS IN ROW WITH FRANCE

President Protests Inaction on Independence Issue

DAMASCUS, Syria, July 7 (A. P.).—President of the Assembly Hashem El Atassi of Syria resigned today in protest against French failure to grant complete independence to the republic which forms part of France's Syrian mandate.

The President's action left Syria without any central government, since the Cabinet already had resigned for the same reason.

Syrian Nationalists expressed belief that the French High Commissioner would dissolve Parliament and rule the country directly.

The quarrel between successive Nationalist Governments, demanding that France ratify an independence treaty, and French administrative officials came to a head on Sunday when High Commissioner Gabriel Puaux published a new decentralization program.

That program provided administrators for three important Syrian districts to be responsible immediately to the French High Commissioner rather than to the Syrian Government.

A26 (NYC OUT)

BY DEWITT MACGONIGLE

ASSOCIATED PRESS FOREIGN AFFAIRS WRITER 30.24

NEW YORK, JULY 7--AND SO WHAT HAPPENS IF THE DANZIG PARLIAMENT

DECLARES THE FREE CITY ANNEXED TO THE GERMAN REICH, AND THERE IS NO

INTERVENTION BY BERLIN?

WOULD THAT DEPRIVE POLAND AND HER ANGLO-FRENCH PROTECTORS OF ANY

GROUNDS FOR ACTION AGAINST GERMANY AND SO REMOVE THE PRESENT WAR-

THREAT?

ENGLAND, FRANCE AND POLAND ARE WRESTLING WITH THIS STARTLING

PROBLEM NOW, AND IT ISN'T EASY OF SOLUTION.

AT FIRST GLANCE THIS SCHEME SEEMS AS NAIVE AS A SCHOOL-CHILD'S BLUSH

1933

AND SO FREE FROM COMPLICATIONS AS TO PROVIDE A NEAT EXIT FOR THE GRAVE DIFFICULTY. ACTUALLY, HOWEVER, IT IS AS FROUGHT WITH TROUBLE AS A HOUND DOG FULL OF PORCUPINE QUILLS--ABOUT ON THE SAME BASIS AS DIRECT ANNEXATION OF THE FREE CITY BY GERMANY.

DANZIG IS, AS ITS NAME IMPLIES, A SOVEREIGN STATE. BUT--ITS CONSTITUTION IS GUARANTEED BY THE LEAGUE OF NATIONS AND THE CITY CANNOT LEGALLY CHANGE ITS STATUS WITHOUT PERMISSION OF THE LEAGUE. A CHANGE OF STATUS WITHOUT PERMISSION WOULD CONSTITUTE REVOLT, UNDER THE LEAGUE SET-UP.

THUS ANY DESIRE BY DANZIG FOR UNION WITH GERMANY MUST, ACCORDING TO THE BOOKS, BE REFERRED TO THE LEAGUE. THEN WE SHOULD GET THIS MESS:

THE LEADING MEMBERS OF THE LEAGUE ARE FRANCE AND ENGLAND, WHO AVOW THEMSELVES PREPARED TO OPPOSE GERMAN ANNEXATION OF DANZIG EVEN TO THE POINT OF WAR. GERMANY, ON HER PART, DOESN'T RECOGNIZE THE JURISDICTION OF THE LEAGUE, BUT THREW THAT ORGANIZATION OVER LONG AGO. SO DID GERMANY'S ALLY, ITALY.

WHEN DANZIG WAS TAKEN FROM GERMANY AFTER THE WAR AND SET UP AS A FREE CITY UNDER THE TREATY OF VERSAILLES, IT WAS EXPLAINED BY THE ALLIES THAT "THE BASIC IDEA IS THAT THE FREE CITY SHALL FORM A COMMUNITY IN THE INTERNATIONAL ORGANIZATION OF EUROPE, WHICH IS KEPT SO MUCH AS POSSIBLE PROTECTED AGAINST ANY UNDUE BIAS FROM ANY PARTICULAR COUNTRY AND HAS A SETTLED EXISTENCE BY ITSELF; FULL REGARD, OF COURSE, BEING ALWAYS PAID TO THE PROVISIONS OF THE TREATY OF VERSAILLES."

AS3 (NYC OUT)

THE LEAGUE GUARANTEED DANZIG'S TERRITORIAL INTEGRITY AND POLITICAL INDEPENDENCE AGAINST EXTERNAL AGGRESSION IN THE SAME WAY AS WAS GUARANTEED TO ALL MEMBERS. WITHOUT THE LEAGUE'S AGREEMENT NO INDIVIDUAL POWER COULD INTERFERE IN THE AFFAIRS OF DANZIG.

"THE PROVISION THAT THE CONSTITUTION SHALL BE PLACED UNDER THE GUARANTEE OF THE LEAGUE MEANS THAT X X X THE LEAGUE OF NATIONS SHALL NOT TOLERATE ACTUAL TRANSGRESSIONS AGAINST THE EXISTING ORDER OF THINGS WITHIN THE FREE CITY."

DANZIG'S SELF-GOVERNMENT WAS RESTRICTED BY A RATHER SWEEPING TREATY WITH POLAND, ALSO PROVIDED BY THE TREATY OF VERSAILLES. THOSE WHO HAVE WONDERED WHAT POLAND'S SPECIFIC INTERESTS ARE IN DANZIG MIGHT GET A FAIR ANSWER FROM THE CLAUSES OF THE DANZIG TREATY.

UNDER THIS TREATY THE FREE CITY WAS INCLUDED WITHIN THE POLISH CUSTOMS FRONTIERS. POLAND WAS INSURED FREE USE OF ALL WATERWAYS, DOCKS, ETC., WITHIN THE TERRITORY OF THE FREE CITY, NECESSARY FOR POLISH IMPORTS AND EXPORTS. THE POLES WERE INSURED THE RIGHT TO DEVELOP AND IMPROVE THE WATERWAYS, DOCKS, ETC.

MOREOVER, POLAND WAS INSURED THE CONTROL AND ADMINISTRATION OF THE GREAT VISTULA RIVER AND THE WHOLE RAILWAY SYSTEM WITHIN THE CITY. POLAND ALSO GOT CONTROL AND ADMINISTRATION OF POSTAL, TELEGRAPHIC AND TELEPHONIC COMMUNICATIONS BETWEEN POLAND AND THE PORT OF DANZIG.

A HIGHLY IMPORTANT STIPULATION WAS THAT THE POLISH GOVERNMENT SHOULD UNDERTAKE THE CONDUCT OF THE FOREIGN RELATIONS OF THE FREE CITY, AS WELL AS THE DIPLOMATIC PROTECTION OF CITIZENS OF THAT CITY WHEN ABROAD.

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ANOTHER VITAL RESTRICTION PLACED ON THE ACTIVITIES OF THE FREE CITY

BY THE LEAGUE SET-UP PROVIDED THAT "DANZIG CANNOT BE USED AS A MILITARY BASE, CANNOT SET UP FORTIFICATIONS, AND CANNOT ALLOW THE MANUFACTURE OF MUNITIONS AND IMPLEMENTS OF WAR ON ITS TERRITORY, EXCEPT WITH THE EXPRESS CONSENT OF THE LEAGUE."

THUS FAR POLAND, FRANCE AND ENGLAND HAVE AVOIDED THROWING ANY PART OF THE DANZIG PROBLEM INTO THE LAP OF THE LEAGUE OF NATIONS, WHICH HAS BEEN KEEPING VERY QUIET IN THE MARBLE PALACE ON THE BANK OF LAKE GENEVA.

REICH WARNED ON "INDIRECT" GRAB OF DANZIG

Britain To Resist Aggression Of Any Kind, Cabinet Minister Says

Prepared To Fight, De La Warr Adds—Air Raid "Rehearsal" Staged

[By the Associated Press]

LONDON, July 8—A blunt warning that Great Britain would use force to resist "indirect aggression" as well as a direct attack came from a Cabinet minister today in a speech dealing with the Danzig situation.

The speech, which apparently had Government approval, was made by Earl De La Warr, president of the Board of Education, before a Conservative party rally at Derby.

It marked the first time a Government official had declared publicly Britain intended to go beyond the actual wording of her guarantees to smaller states.

Scorns Compromise

De La Warr declared it was useless

to try to settle Europe's problems by compromise "if one side feels free to break their word at any moment" and that "only if and when we are convinced of a real will to peace do we see any hope of compromise likely to lead to a permanent peace."

"Our only possible course, therefore," he said, "is to stand firm by those to whom we have pledged our word and to make it clear that Britain is able and prepared to fight any and every aggressor, however indirect may be the method of aggression."

He added:

"If war breaks out over the apparent cause of Danzig, it will be because the German Government realizes that Danzig is the key to Polish independence and that a free Poland is a bastion against their domination of Europe."

Other Leaders Speak

Leaders of opposition parties also spoke in different parts of the country, emphasizing that Britain was determined to halt any German attempt to annex Danzig.

Sir Archibald Sinclair, leader of the Liberal opposition, said it was vital that Germany should be "thoroughly convinced" the whole nation was united behind Britain's policy "to resist aggression." He addressed a Liberal party rally at Leominster.

Arthur Greenwood, deputy leader of the Laborite opposition, speaking at Rossendale, said German leaders "still believed they could bluff their way to victory in Danzig."

He added:

Hitler Cautioned

"It would be well if Herr Hitler were to look beyond the pitiable figures of those who control this country to the masses of people here and mil-

lions of people in other lands who are determined that the liberties they have now shall not be curtailed and that the rule of law in the world shall prevail."

Prime Minister Neville Chamberlain, speaking at an airport dedication in Birmingham, asserted Britain's air force was "in many respects the finest in the world."

He predicted that when the international situation eased there would be an unprecedented development of civil aviation.

"These Tremendous Men"

Britain's wartime Prime Minister, David Lloyd George, told a Cornwall political rally that "the real fact is that we have not got in the Government anybody who could stand up ten minutes against these tremendous men"—Hitler and Mussolini.

"Yet they are keeping out of the Government the ablest men of their own party, whereas they should be drawing everybody in."

He said the Government in "most vital things" since 1931 had failed, and

"our prestige has gone down, down, down."

"Since 'what is called 'the great peace of Munich' the international situation has not been so bad since 1914," and referring to the Munich conference, he added:

"Religion teaches us to watch and pray, and while we were praying Mr. Chamberlain forgot to watch Hitler."

Statement Expected

Parliamentary circles expected Chamberlain would make a statement Monday in the House of Commons defining specifically Britain's position on Danzig.

Count Edward Raczyński, Polish Ambassador to London, was due back

tomorrow from Warsaw where he had important conversations with his Government. It was believed he would see Lord Halifax, Foreign Secretary, Monday morning before Chamberlain faced the House of Commons.

Meanwhile, Britain's biggest "black-out" to test air raid defenses of fifteen densely settled counties in southern England went off "just like clockwork" tonight.

Volunteers Demonstrate

That was the verdict of a high official of the Air Raid Precautions organization after hundreds of thousands of A. R. P. volunteers had demonstrated how they could cope with simulated enemy bombs.

Scores of high-explosive bombs were detonated—in vacant lots—while warplanes roared overhead during the six-hour test which started at 11 P. M. (5 P. M., EST).

Authorities tried to make the "black-out" as complete as it would be in wartime. For six hours no lights were shown in factories, shops, houses or amusement centers. Street lights were darkened and electric signs were switched off. Automobiles and trains

traveled through the darkened countryside with only side lights.

Bystanders Get In Way

In a few instances non-participants in the exercises got in the way of ambulance workers, officers and firemen, but it was pointed out that such wanderers were not likely to be about if "the real thing" starts.

All southern England, except London, Devonshire and Cornwall, was included in the demonstration. The vital London area is to have a separate test because of the importance of its docks, transportation and other facilities.

The key area of the exercises was Kent and Sussex, the two counties nearest the continent, which have long vulnerable coastlines and contain many newly developed industries.

Reich Warned on Indirect Force

Cabinet Minister Hints Britain Will Exceed Letter of Pledge to Poland.

LONDON, July 8 (A. P.).—Earl De La Warr, president of the Board of Education, said today that Great Britain's "only possible course" was to stand by the smaller nations she has guaranteed and to make it clear that she is "prepared to fight any and every aggressor, however indirect may be the method of aggression."

He was the first Cabinet Minister to say that Great Britain was ready to go beyond the letter of her pledges and resist indirect aggression, as well as the actual use of military force.

His statement was considered significant in view of the widespread belief in England that any action to incorporate the Free City of Danzig into the German Reich would come from within the city.

Compromise of No Use.

Earl De La Warr was discussing the Danzig situation in a speech at a Derby political rally. He said that a compromise would be of no use, "if one side feels free to break their word at any moment."

"Our only possible course, therefore," he said, "is to stand firm by those to whom we have pledged our word and to make it clear that Britain is able and prepared to fight any and every aggressor, however indirect may be the method of aggression, and that only if and when we are convinced of a real will to peace do we see any hope of compromise likely to lead to a permanent peace."

"The German Government tell

Six-Hour Test a Success

LONDON, July 8 (Sunday) (A. P.).—Britain's biggest "black-out" to test air raid defenses of fifteen densely settled counties in southern England, went off "just like clockwork" last night and early this morning. That was the verdict of a high official of the air raid precautions organization after hundreds of thousands of A. R. P. volunteers had demonstrated how they could cope with simulated enemy bombs.

Scores of high-explosive bombs were detonated—in vacant lots—while warplanes roared overhead during the six-hour test which started at 11 p. m.

Authorities tried to make the "black-out" as complete as it would be in wartime. For the six hours no lights were shown in factories, shops, houses or amusement centers. Street lights were darkened and electric signs were switched

peril from the air.

The six-hour test of extensive air raid precautions, organized jointly by civil defense forces and the Royal Air Force, was planned to begin at 11 P. M. (6 P. M. New York time) and cover all of southern England except London, Devonshire and Cornwall in the extreme southwest.

London prepared for a separate test, but a vitally important one. The Port of London Authority arranged to test the whole A. R. P. (Air Raid Precaution) organization along forty miles of the Thames.

Both because of the importance of London's docks and because of the ease with which enemy airmen could spot the river, these tests were considered to be particularly vital.

Key Area in Southeast.

The key area of the exercises outside London was in Kent and Sussex in the southeast—the two counties nearest the Continent, with a large number of vulnerable coast towns and extensive, newly developed industrial sections.

The remaining counties agreed to co-operate as a rehearsal for an even larger, twenty-six-county blackout in which all are scheduled to participate next month.

The tests called for R. A. F. bombers and fighter squadrons to roar over darkened towns as small, high explosive and incendiary bombs explode in vacant lots to give a

realistic touch. Other planes were to carry observers.

In London about 300 river craft—fireboats, water ambulances and others—were ready for the mimic defense. Incidents such as bomb damage to docks and fires on ships and wharves were to be staged.

Darkness and Daylight Tests.

The river tests were to cover twelve hours, including darkness and daylight, from 3 P. M. today to 3 A. M. tomorrow (11 P. M. to 10 P. M. New York time).

South England in Air Raid Test

Blackout to Cover 16,000 Square Miles With Special London Maneuvers.

LONDON, July 8 (A. P.).—Arrangements for a blackout over a strategic, densely-settled 16,000 square miles of southern England reminded Great Britain today of her

...southern area exercises, A. R. P. observers hoped to get practical experience in unsmiling traffic jams that might occur under war conditions.

The blackout was to begin at a time when thousands of week-end motorists normally would be returning to London from the coast.

Although there is no law to compel drivers to do without headlights thousands of police, special constables and A. R. P. workers were mobilized to halt cars and ask drivers to co-operate. Neither can householders be compelled to extinguish their lights or darken their windows, but authorities had issued thousands of notices asking co-operation.

POLES SAY DANZIG IS BUILDING FORTS

Report Describes Work Being Done on the Coast.

WARSAW, July 8 (A. P.).—The newspaper ABC said today that Danzig authorities were building coast fortifications for the Free City. Concrete emplacements for artillery and anti-aircraft are being installed, the newspaper said, on a line from the village of Glettkau, between Danzig and the Polish port of Gdynia, to Schievenhorst, near the East Prussia frontier of Germany. ABC said that digging of trenches and erection of frontier barricades had been dropped in order to rush coast defenses.

Authoritative Polish sources said all new reports of military preparedness in Danzig were being investigated carefully.

Official circles issued a four-point "reminder" of "basic elements in the Polish attitude towards Danzig." They were:

1. Danzig must retain its separate status and may not be embodied within the frontiers of the German State.
2. Danzig must remain within Polish customs frontiers.
3. Rights in Danzig cannot be made subservient to any third country and these Polish rights must actually exist in practice.
4. There should be room in Danzig for free cultural and national development of the German majority, but simultaneously there should also be room for full respect for the rights of the Polish national minority in the free city.

POLAND CEMENTS LITHUANIAN TIES

Warsaw Receives 12 Visiting Journalists As Latest Step To Woo Neighbor

Two Nations Growing Friendlier As Result Of Nazi Seizure Of Memel

[By the Associated Press]

Warsaw, July 8.—Poland took another stride today toward creating a firm friendship with Lithuania, the little neighbor she was threatening to invade sixteen months ago.

The arrival of twelve Lithuanian journalists on an official visit marked the latest step of the Warsaw Government to cement ties with Lithuania, who lost her only port when Germany annexed Memel last March 22.

The Nazi acquisition of Memel, which Germany lost in the post-war settlements, saw the real beginning of closer ties between the Polish and Lithuanian Governments.

Resumed Relations

The two countries resumed diplomatic relations in March, 1938, although there still remained traces of 18-year-old differences dating back to the Polish seizure of Wilno, ancient Lithuanian capital.

But with the return of Memel to Germany and the growing Nazi clamor for the Free City of Danzig and a right-of-way across Pomorze, the Polish Corridor, these antagonisms began to melt.

A month after the swastika was hoisted over Memel there were reports of an impending defense alliance between Poland and Lithuania. In May

Germany Calls Three Post-War Classes to Duty

Youths Born in '18, '19, '20 Report Oct. 1; Vacationing Nazis Scoff at War Fear

BERLIN, July 8 (A. P.).—Young Germans born at the end of the World War were ordered tonight mustered

the commander-in-chief of the Lithuanian army, Gen. Stanislas Rasztilis, paid a visit to Warsaw as the guest of the Polish Government.

High Schools To Reopen

Informed sources said today a further gesture toward improved relations with the neighboring state would be reopening of two Lithuanian high schools in the near future to satisfy demands of the Lithuanian minority in Poland.

Meanwhile, all new reports of military preparedness in Danzig were under careful investigation. The latest such report was printed today by the newspaper ABC, which said Danzig authorities were building coast fortifications for the Free City.

Official circles issued a "reminder" of the "basic elements in the Polish attitude toward Danzig." Its chief points were a reminder that Danzig must retain its separate status and remain under Polish customs control.

for the six months of labor service and two years of military service which every healthy German male must undergo. Small black and white notices, of a type which appear at regular intervals, were posted on the country's billboards, notifying the classes of 1918, 1919 and 1920—youths born in those years—to report for examinations. With them must go all the "war babies"—men of the classes of 1914, 1915, 1916 and 1917—who for various reasons have not done their service previously.

The next service period begins on Oct. 1, when the newcomers start, and those who have completed their two-and-a-half years will be dismissed. Last year, because of the autumn crisis over Czecho-Slovakia, Chancellor Adolf Hitler kept those who were to have been dismissed Oct. 1 a month longer.

Nazi leaders and the rest of the country, meanwhile, were trying to snatch a holiday in a sultry 84-degree heat. Hitler was reported to be at his cool mountain-top home above Berchtesgaden. The Foreign Office was almost deserted.

Editorial writers seized upon the calm to ridicule "nervousness in other countries." Kurt Kraenzlein, editor of Propaganda Minister Paul Joseph Goebbels's newspaper, "Der Angriff," commented:

"Since the Czech crisis of last year the world has spoken a great deal about a 'war of nerves.' But it was only recently that the newspapers of the democracies took up this phrase, and, with all the pathos of which they are capable, declared that in a war of nerves they would be the winners.

"But now, during the holiday season, the opportunity presents itself to judge what these critical utter-

ances are worth. One looks at our holidays and compares them with the ones others are taking—or rather are not taking. With a calm conscience, Der Fuehrer went to Obersalzberg (near Berchtesgaden), and with the same calm conscience our leading men go on vacation."

'WAR BABIES' CALLED

BERLIN, July 8 (A. P.).—Routine notices in accordance with Germany's compulsory service laws were posted today in Berlin streets, ordering men born between 1918 and 1920 to report for examination and enrollment in the German army and labor service.

Men born between 1914 and 1917 whose terms of service had been delayed for various reasons, also were ordered to report.

EGYPT CORRECTS NAZIS Germans Put Omitted Word Back Into Statement.

BERLIN, July 8 (A. P.).—The Egyptian legation here called the attention of the Foreign Office today to the omission of the word "so-called" from the phrase "so-called encirclement" in the official German version of an Egyptian statement published here last night. The statement, as circulated by DNE, official German news agency, said that the Egyptian legation was authorized to declare that the Balkan trip of Egypt's Foreign Minister, Abdel Fatah Yehia Pascha, "in no way has an object of supporting or strengthening the encirclement policy against Germany."

This version had pleased many Nazis because they took it as proof that Egypt recognized the German contention that the British-French front aims at "encirclement" of Germany. British and French leaders have denied this is the case.

The Egyptian legation today said that the matter had been settled in a "most friendly manner."

Voelkischer Beobachter and other morning papers carried the corrected Egyptian statements, which inserted "so-called" before "encirclement."

8,000 in Tyrol Going to Reich In Italian Pact

Germans Will Move Out, Bag and Baggage, to Let Italy Italianize Border

BOLZANO, Italy, July 8.—Italian-Germans living here estimated today that 8,000 German citizens in the northern province of Bolzano must return to Germany in the next few months as a result of an Italian-German agreement for repatriation of South Tyrol Germans. One result of the agreement is expected to be the "Italianization" of this frontier region, and a German mission is due within a fortnight to begin the repatriation.

Carlo Staudacher, young proprietor of a small drygoods shop, and Nazi party leader for Bolzano, said that the Germans had been informed of the decision through party meetings. Staudacher said details of the repatriation had not been worked out, but that the two governments were in accord on the principle that all German citizens residing in the province must go.

German reports have said that Tyrolese Germans could decide for themselves whether or not to move. The region belonged to the Austro-Hungarian Empire until the end of the World War, when it went to Italy.

Italian citizens of German blood. Staudacher asserted, might choose whether to go or remain. Those born here are considered Italians. If they stayed, he said, they would do so with the understanding that they remained Italians and that the Ger-

man government no longer would interest itself in their welfare. Staudacher said that three months had been fixed as the period for departure of the repatriated persons, but that the time probably would be extended for those in business who found themselves unable to sell out quickly.

Repatriated Germans, he said, could not take out Italian money when they went, but the two governments had agreed on a plan for providing them with funds in proportion to their lira holdings. Staudacher added that the German government also undertook to find places for laborers returning to Germany.

300,000 in Region
The most recent official figures placed the population of South Tyrol, renamed the Alto Adige by the Italians, at 300,000. Of these, 200,000 are German-speaking Italians, 90,000 are Italians of Italian speech, and 10,000 foreigners, mostly Germans.

The region has provided Fascist Italy with its most serious minority problem, and, in an attempt to make it wholly Italian, the government has Italianized the former German place names and made Italian the only legal tongue. These measures have been accompanied by lavish expenditures on public works, at-

tracting Italian workers from other parts of the country. Italy relaxed her repressive measures slightly when the Italian-German friendship began to ripen in 1936.

Gayda Urges All Italians To Help Watch for Spies Tells Them 'Innocent Tours' May Sack Vital Secrets

ROME, July 8 (A. P.).—Italians were urged by the Fascist editor, Virginio Gayda, today to aid the government by stricter vigilance against foreign spies.

In his newspaper, "Il Giornale d'Italia," Gayda asked Italians to withhold both military and economic information which might be useful to "enemy" powers. He announced:

"Daily control will be exercised over the press, radio, documentary films, spectacles, lectures and visits made under the guise of innocent tours of curiosity in centers of labor and industry."

British, French Envoys Confer With Molotoff

Moscow, July 8 (A. P.).—Armed with new instructions from their Governments, British and French diplomats conferred with Vyacheslav Molotoff, Premier-Foreign Commissar, for more than two hours tonight in the Kremlin on the proposed tri-power mutual assistance pact.

It was reported Moscow no longer was being asked to give guarantees to the Netherlands and Switzerland, one of the points holding up the talks, but Soviet circles were noncommittal.

Those visiting Molotoff were Sir William Seeds, British Ambassador, Paul Emile Naggiar, French Ambassador, and William Strang, special British envoy, who has been participating in the negotiations since his arrival in Moscow more than three weeks ago.

They entered the Kremlin at 6 P. M. and the conversation ended at 8.15 P. M.

ENVOYS TO SUBMIT NEW SOVIET PACT British and French Change Proposals to Russia.

MOSCOW, July 8 (A. P.).—British and French diplomats arranged

to visit Premier-Foreign Commissar Vyacheslav Molotoff tonight in the Kremlin to submit new proposals for a British-French-Russian mutual assistance pact.

The proposals, designed to harmonize the still conflicting views of Moscow on the one hand and London and Paris on the other, will be conveyed by British Ambassador Sir William Seeds, Special British Envoy William Strang and French Ambassador Paul Emile Naggiar.

In London diplomatic circles said on Friday the British had decided not to insist on guarantees for the Netherlands and Switzerland, one of the points holding up the talks.

Nazis Conscript Wealth In Bohemia-Moravia

Decree Orders All Foreign Currency, Securities And Gold Be Turned In By July 31

Prague, July 8 (A. P.).—The German Protective Government of Bohemia-Moravia today decreed that all foreign currency, securities, claims against foreign nations and precious metals must be turned over to the Czech National Bank by July 31.

Financial circles said the decree was designed to bolster the National Bank's gold reserve, which, according to the last statement, had decreased approximately 50,000,000 Czech crowns (about \$2,000,000).

A drain on gold reserves to pay for vital industrial raw materials has resulted from falling off of the export trade of former Czecho-Slovakia.

Slovakian Problem

Bratislava, Slovakia (Correspondence of the Associated Press).—Little Slovakia is trying to keep in step with her giant protector, Nazi Germany, by abolishing freedom of speech and freedom of the press.

"We are a nation of only 2,500,000," explains a Slovak official. "Next door are 80,000,000 Germans. We simply must keep on good terms with them."

Behind this program lie two Slovak hopes: One that Germany will not interfere in the infant state's internal affairs as long as these are strictly controlled, and the other that by building up confidence in Slovak loyalty to Nazi "advisers" the long-rumored partitions by Germany and Hungary can be averted.

Slovaks always have liked to speak

their minds, but it has become a high-priced luxury.

To "grumble" now, as it is called, brings a quick sentence to the new concentration camp at Illava, where some 200 dissenters, ranging from peasants to professors, are in custody.

The state has frankly assumed direction of all Slovak language newspapers, but papers of the German minority, supervised by Nazis, enjoy comparative freedom.

Senate President Returns.

FREE CITY OF DANZIG, July 8 (A. P.).—Arthur Karl Greiser, president of the Danzig Senate, returned to his post today after an absence of several weeks, during which he served a short training term in the German Navy.

BALTIC STATES STUDYING WAR

Speculating on Ability to
Remain Neutral.

PRESSURE IS SEEN PROBABLE

Results of Economic Blockade
Might Disrupt Peace.

HELSINGFORS, Finland—(Correspondence of the Associated Press)—Could the Scandinavian countries and Finland, famed for their neutrality, stay out of a general European war?

There was a time when a declaration of neutrality was enough, when staying neutral meant an opportunity to trade with the warring Powers as the Scandinavian countries did during the world war.

But these are different days. The four northern countries are wondering what their fate would be if war should come to Europe.

All four want no more than to be left in peace, but there is such a thing as being forced into a fight.

To begin with, there is the economic blockade.

It is taken for granted that Western Powers, in a war with Germany, would impose one immediately. Germany, in turn, to protect her smaller navy, could be expected to try to seal the water passage between Denmark and the

south tip of Sweden.

German Pressure Expected.

Observers see every likelihood, therefore, that Germany would at least attempt to bring pressure on the Scandinavian countries for food and raw materials. Germany needs and would continue to need Sweden's high-grade ore for munitions. And if the Scandinavian countries and Finland should sell voluntarily to Germany, the other side might charge them with a hostile attitude.

Their attention is on Russia as well as Germany. In a general war Russia might seek to take over Finnish islands in the Gulf of Finland for defense of Leningrad. The Finns have a suspicion that Russia, if warring against Germany, might try to occupy Finland as a defensive measure.

In such a case German war vessels might rush to the Aaland Islands, between Sweden and Finland. From there both countries could be put under pressure.

The fact that Scandinavian and Finnish trade is to the west would be a further complication, especially if the Baltic Sea were blockaded. Already Finland is considering development of the port of Petsamo in the north to permit shipping around Norway.

To Fortify Islands.

Finland and Sweden have a plan to refortify the Aaland Islands jointly, and Finland is prepared, if necessary, to do it alone. The islands, Russian until 1917, were demilitarized in 1921 by a League of Nations convention which guaranteed their neutrality. But Sweden's interest in fortifying them indicates that the country, untouched by war for more than 135 years, is conscious of a new shaping up of events.

Modern air power can threaten a distant country. And Baltic naval power is again a factor with Germany ascendant. From a military viewpoint, the Scandinavian countries and Finland are closer to the rest of the Continent than ever before.

With an eye on neutrality their positions differ. Denmark is directly under the arm of German might, with no natural barriers. It is agreed that she could do no more than declare herself neutral. So the Danes do not bother to arm extensively.

Sweden is well prepared to defend her neutrality. She has a small but efficient navy, compulsory military training, one of the world's ranking munitions factories and an improving air force.

Norway's Natural Protection.

Norway is excellently protected by a rocky coastline and is farther from the continental mainland. She is taking active steps in preparedness, especially with aircraft.

vulnerable point is her extensive merchant marine.

Finland has a public spirit without equal, difficult frontiers, an efficient little army, a few ships and a steadily growing air force.

A point of speculation is whether, in an emergency, Sweden, Norway and Finland might join forces and have a well-trained army of at least 1,000,000 men, backed by Swedish wealth and munitions.

Representatives of the three met recently at Oslo to define their principles of neutrality. The plan is to be able to say exactly what they mean by neutrality and to draw sure lines of conduct.

One thing is certain, observers agree—neutrality in Scandinavia and Finland is backed by great public determination.

IF NEUTRALITY SHOULD HAVE TO BE ABANDONED, NATIONAL FEELING WOULD BE IMPORTANT. THE SWEDEN OF PRE-WORLD WAR DAYS, WITH ITS PRO-GERMAN TENDENCIES, HAS GIVEN WAY TO A POWERFUL SOCIAL-DEMOCRAT REGIME. NORWAY LIKEWISE HAS A LEFTIST GOVERNMENT. ALL THREE ARE FIRM BELIEVERS IN DEMOCRATIC GOVERNMENT. TRADE IS NOW IDENTIFIED WITH ENGLAND AND THE UNITED STATES ESPECIALLY. IT'S ALL A QUESTION FOR THE FUTURE, BUT THERE IS A NEW AWARENESS THAT THE DAYS OF "SPECTATOR NATIONS" MAY BE MORE DIFFICULT THAN IN THE WAR OF 1914-1918 WHEN SWEDEN, NORWAY AND DENMARK MANAGED TO STAY OUT. FINLAND THEN WAS PART OF RUSSIA.

RICHARD

30.24

CHARLOTTESVILLE, VA., JULY 7-(AP)—A CABINET MINISTER OF THE PRE-HITLER GERMAN REICH PREDICTED TODAY THAT VISE STATESMAN-SHIP ON THE PART OF GREAT BRITAIN, FRANCE, RUSSIA AND THE UNITED STATES COULD PRECIPITATE A DOMESTIC CRISIS THAT WOULD FORCE THE NAZI FUERER'S REGIME OUT OF POWER.

F. WILLIAM SOLLMANN, FOR 13 YEARS A MEMBER OF THE REICHSTAG AND MINISTER OF THE INTERIOR IN THE POST-WAR CABINET OF CHANCELLOR STRASSMANN, TOLD THE UNIVERSITY OF VIRGINIA INSTITUTE OF PUBLIC AFFAIRS THAT MANY GERMAN LEADERS WERE CONVINCED THE REICH WAS ON THE ROAD TO CATASTROPHE RATHER THAN ON THE ROAD TO GREATER WORLD POWER.

"HITLER'S PRESTIGE IS BASED ON HIS ACHIEVEMENTS BY INTIMIDATING THE WESTERN DEMOCRACIES," HE ADDED. "HIS PRESTIGE WILL DECREASE AND VANISH IF HIS METHODS WILL BE NO LONGER SUCCESSFUL."

SOLLMANN TOLD THE INSTITUTE'S FOREIGN AFFAIRS SECTION THAT "UNFORTUNATELY" PEACEFUL COOPERATION BETWEEN HITLER GERMANY AND HER SOUTHEASTERN NEIGHBORS WOULD BE IMPOSSIBLE FOR FINANCIAL AND POLITICAL REASONS.

ON THE FINANCIAL SIDE, HE SAID, THE NAZI SYSTEM HAD DESTROYED THE BASIS OF FREE MONEY EXCHANGE BETWEEN GERMANY AND THE REST OF THE WORLD. IT HAD SEVERED THE GERMAN ECONOMIC AND FINANCIAL SYSTEM FROM COUNTRIES WITH FREE LIBERAL SYSTEMS OF CURRENCY AND ECONOMY "EXACTLY AS BOLSHEVIST RUSSIA DID. HITLER GERMANY IS UNABLE TO PAY IN GOLD OR FOREIGN BILLS FOR HER IMPORTS. THEREFORE, SHE DEVELOPS A BARTER SYSTEM. X X X THIS IS NOT A BASIS FOR LASTING PEACEFUL COOPERATION ON EQUAL RIGHTS."

ON THE OTHER HAND, HE CONTINUED, "MUCH MORE IMPORTANT IS THAT NAZI GERMANY DOES NOT WANT PEACEFUL COOPERATION ON EQUAL RIGHTS WITH THE SOUTHEASTERN COUNTRIES. NAZI GERMANY INTENDS TO SUBJUGATE THOSE COUNTRIES X X X TO MAKE GERMANY AS STRONG AS POSSIBLE FOR A FUTURE WAR, AND TO PREVENT GERMANY'S ENEMIES FROM ANY POSSIBILITY OF BLOCKADING THE REICH."

SOLLMANN SAID GERMANY COULD NEVER RISE THE OCEANS AGAINST THE COMBINED SEA POWER OF GREAT BRITAIN AND FRANCE, BUT THAT SHE COULD CONTROL AND EXPLOIT EASTERN EUROPE DURING A WAR IF THOSE COUNTRIES WERE UNDER GERMANY'S MILITARY RULERSHIP.

HE CONCLUDED THAT IF "A PROGRAM OF RECONSTRUCTION OF EUROPE IS COMBINED WITH A FIRM RESOLUTION NOT TO CAPITULATE TO BLACKMAILERS" AND IF THE INDEPENDENCE OF SMALLER

NATIONS IS NOT SACRIFICED "FOR THE CREATION OF AN OVERWHELMING GERMAN EMPIRE, X X X THE DEVELOPMENT IN THE NEXT YEARS MAY PROVE THAT IT IS POSSIBLE TO WRECK DICTATORSHIPS BY STRONG RESISTANCE WITHOUT WAR."

GN609AIES NM

GDYNIA VIES WITH DANZIG IN PROPAGANDA

Poles Look To The Sea While Free City Talks Of Nazi Destiny

Anti-Tank Barricades Erected Between New And Ancient Ports

[By the Associated Press]

Free City of Danzig, July 8—This is a tale of two cities with ingredients of fear, anxiety, threat of war, marching feet and fervent nationalism—a tale of Danzig and Gdynia.

At the moment it's an unfinished story. The latest chapter includes the setting of new anti-tank barricades on the Polish side of the highway joining the Free City of Danzig and the nearby Polish Port of Gdynia—heavy steel bars set at a slant in concrete, "a general military precaution," according to Polish authorities.

Gazing At The Sea

But the story of Danzig and Gdynia should begin not with military precautions but with children gazing wide-eyed at the sea.

In Gdynia you can see them, Polish school children being lined up to look at the sea and the ships. They have come from the interior, with small bags strapped around their shoulders

and in most cases it is their first glimpse of a large expanse of water and large ships.

Solemnly they listen as their instructors tell them:

"Now you can see how important it is that Poland must have an outlet to the sea. We have a right to be a seafaring nation. These are our ships. This is our port."

Looking To The Reich

But fifteen miles from Gdynia, in Danzig, you can see other children, marching and singing of the destiny of Germany. They also look toward the sea. They are told, "Danzig is German. Danzig must be returned to the Reich. The Poles have Gdynia. We, as Germans, must have Danzig."

From the children you can take the problem to adults, but all you get is blunt insistence on what is regarded, from either side, as fundamental truth.

German Propaganda

Here in Danzig you talk with a German propaganda official, in a white-painted room, with photographs of Hitler on the walls.

"Danzig ist Deutsch."

The words are flat, unyielding.

"But the Poles," you point out, "... they argue that they must have an outlet to the sea."

"We do not deny that. They have Gdynia. They could have the use of Danzig."

"The Poles say that with Danzig in German hands it would be a possible military and naval base, giving Germany control of the Vistula river."

"But Adolf Hitler has offered Poland a twenty-five-year non-aggression pact."

Take the Danzig-is-German argument to Gdynia and talk to Polish officials and businessmen.

Economic Factor Stressed

"Culturally, yes, but economically Danzig is identified with Poland. It has always had a special character as a city. It cannot be under the full control of either Germany or Poland."

"The Germans say that you can have Gdynia as a port."

"Two ports are necessary. And look at a map. You must realize that one German battleship could block all Polish shipping, could throttle Polish trade at sea."

You interject again: "But they speak of a non-aggression pact."

"And what guarantees can Germany give for such a pact?"

There the matter rests, ensnared in endless arguments, for Danzig it's an old story—as old, perhaps, as her 700 years' history as a city. For Gdynia, it's a new story—as new as the massive wharves and dock machinery, as new as the streets and houses that have come into being in the past fifteen years.

From 150 To 150,000

Before the World War Gdynia was a fishing village of 150 population. Now it is a thriving port of 150,000 population which handles about 3,000,000 tons of cargo a year as compared with about 7,000,000 for Danzig. And Gdynia, representing an investment of more than \$100,000,000 in commercial enterprise, is growing.

Back in Danzig you make a purchase in a small shop and the old woman behind the counter says:

"May God bring an end to all this trouble. How can we continue when merchants are afraid to buy, when people are afraid to buy when no one knows what the morrow may bring. Why is it, men here, that people cannot live in peace?"

In Danzig there are heavy boots on the pavement and marching children.

In Gdynia, Polish school children gaze out to sea.

And on the road to Danzig you watch Polish workmen setting heavy steel bars at a slant in concrete.

NAZI DANZIGERS DEFY POLES AND JIBE AT BRITISH

Cheer As Förster Warns
Warsaw And Laugh As He
Calls English "Stupid"

Told Hitler Will March In
Soon—Chamberlain To
Declare Self Today

By The Associated Press
Oliva, Free City of Danzig, July 9—
Nazis of Danzig at two rousing mass-
meetings today thundered defiance at
Poland and pledged blind faith in the
leadership of Adolf Hitler.

Tens of thousands of perspiring Free
City residents of two communities,
wearing heavy brown, black and gray
uniforms, cheered Albert Förster,
Danzig district leader, when he re-
asserted confidence that Hitler would
"liberate the Free City."

The Nazi leader demanded that Pol-
and give up privileges to store arms
on the so-called Westerplatte, on the
western shore of Danzig harbor. This
Polish munitions dump on the fringe
of the city of Danzig long has been
the subject of quarrels between Pol-
and and Danzig in the League of Na-
tions.

Drexel Arrives

Meanwhile, Anthony J. Drexel Bid-
dle, Jr., United States Minister to Pol-
and, arrived unannounced in the Free
City on what was believed to be a
visit to inform himself concerning the
Danzig situation.

During the afternoon he picnicked
with C. Porter Kykendall, United
States Consul, Mrs. Kykendall and
City Councillor Böttcher, who is at-
tached to the Danzig Senate office for
Foreign Affairs.

First Förster spoke at Oliva, pictur-
esque town near the Baltic Sea. There
he warned Poland that Danzig had
adequate defenses against any "aggre-
sive" action the Poles may be con-
templating.

Then he appeared at the harbor city
of Neufahrwasser, near the Wester-
platte munitions depot, where he
counseled citizens of the community
to "smash Polish influence wherever
possible."

"The construction of the competi-
tive Polish harbor of Gdynia, less than
ten kilometers (6¼ miles) from the
spot on which I stand has been a de-
cisive factor forcing us to recognize
the necessity of political union with
Germany," Förster said.

"It Is Up To You"

"Now it is up to you to prove to the
world that this is a German harbor."

Throughout the two addresses the
tall party leader stressed his confi-
dence that Hitler would march in
shortly to claim Danzig for Germany.

"Through the Führer's political
genius, 10,000,000 Germans have been
brought back to the Fatherland," he
declared at Neufahrwasser.

"We are only 450,000 and should we
doubt that he will do for us what he
has done for far greater numbers?"

"We believe he will free us."
At Neufahrwasser the Nazis pro-
duced a show almost as polished as
anything to be seen in Germany.

Companies of men of the labor serv-
ice, carrying shining spades which
gleamed like silver in the bright sun-
shine, stood at attention. Trim girls
in uniforms of the Bund Deutscher
Mädels circulated about selling badges.

6, 8 Men Line Streets

Black-shirted Danzig S. S. men lined
the streets in an endless front and
tugs in the harbor tooted salutes.

Poland was booed lustily and Great
Britain ridiculed roundly at the Oliva
meeting.

Förster, addressing Nazi formations
drawn up in the Oliva village market
place, stood under an outstretched
banner which bore the legend: "The
Führer Orders, We Follow."

Farmers and small tradesmen—
many of them hot and uncomfortable
in their party uniforms—gave cat-
calls when Förster described what he
termed "Polish swindles."

Crowd Laughs

The crowd laughed loudly when the
Nazi leader referred to "Hanswursts"

in London—a term indicating stupid
fellows.

Förster said the first and outstand-
ing "swindle" in regard to Danzig was
the contention it was a free city.

"As it is, it cannot live or die," he
said.

"It is neither flesh nor fish. As it is,
it is nothing."

"So we want to return to our home

in the Reich to correct this impossible
condition."

The Nazi leader said the Polish
minority in Danzig was insignificant,
but he cautioned this minority sternly:

"Our advice to the Poles here is that
they remain quiet. They are guests
here and have nothing to say. In Dan-
zig we Germans decide our own fate."

Förster asserted one of the guaran-
tees that Danzig was safe from "Pol-
ish aggression" was the German army,
"and even in Poland the idea may
have penetrated that it is the strong-
est in Europe and the world."

He twitted Great Britain and France
for "irresolution and weakness."

"They want to prevent Germany
from becoming too great," he said.
"But their designs are futile."

Chamberlain Statement on Danzig Ready

May Tell Commons Today
of Ban on Any Change
Without Polish Consent

Ambassador to See
Prime Minister First

Envoy May Advise Him
Not to Stir Up Nazis
While Tension Is Eased

By The Associated Press

LONDON, July 9.—Poland's Am-
bassador to Great Britain returned
today from a Warsaw conference
which may have an important
bearing on Prime Minister Neville
Chamberlain's plan to make a de-
claration tomorrow concerning the
Free City of Danzig. Parliamentary
circles expressed belief that Cham-
berlain would declare in the House
of Commons that any change in the
status of Danzig, except by Polish
agreement, would be considered an
"act of aggression."

The Polish Envoy, Count Edward
Raczynski, will have an opportunity
through Foreign Secretary Viscount

Halifax, to give the Prime Minister
a precise outline of the present feel-
ing in Warsaw, before the latter
goes before Parliament.

Sources usually reliable said
Chamberlain would take into con-
sideration Polish views on whether
Danzig tension had subsided to a
point where his silence would be
more effective than a statement.
Chamberlain had expected to make
his declaration last Friday but par-
liamentary technicalities made Mon-
day the earliest possible occasion.

A Question in Commons

An indication of the statement as
proposed was seen in a question filed
in Commons on Friday for answer
tomorrow. Informed sources said
Chamberlain himself had requested
the question, which asks:

"Will the government issue a
declaration that any change in the
present status of Danzig, other than
by agreement to which the Polish
government is a party, whether
brought about externally by military
action on the part of Germany or
internally by a movement initiated
or supported by the German govern-
ment, will be regarded as an act of
aggression on the part of Germany
and therefore covered by the terms
of our pledge to Poland?"

Only yesterday a Cabinet Minis-
ter, Earl De La Warr, president of
the Board of Education, declared in
a speech dealing with the Danzig
situation that Britain would use
force to resist "indirect aggression"
as well as a direct attack.

It was the first time a British
government official had declared
publicly that Britain intended to go
beyond the actual wording of her
guaranties to smaller states. De La
Warr apparently had government
approval of his address.

Count Raczynski had a double
purpose when he landed at Croydon
Airport. The first was to attend the
Sunday christening of his seven-
day-old daughter, and the second
was his call at the Foreign Office
tomorrow to see Lord Halifax.
Chamberlain, who was passing the
week end resting at Birmingham,
will confer with the Foreign Secre-
tary at noon tomorrow.

No Cabinet Change

British political writers, in gen-
eral, agreed that Chamberlain would
continue with his present Cabinet
instead of adding new figures, as he
had been reported in recent weeks
to be likely to do. There had been
reports that he might broaden the
base of his government by the addi-
tion of Winston Churchill, war-time
First Lord of the Admiralty, and

former Foreign Secretary Anthony
Eden.

Political commentators gave vari-
ous explanations, but all came to
the same conclusion—that there
would be no Cabinet reconstruction
for the moment.

J. L. Garvin, writing in "The Ob-
server," said:

"The Polish government has been
satisfied that Britain will make war
in common rather than purchase a
false and fatal respite by any kind
of surrender or betrayal. . . .

"Chamberlain believes . . . Brit-
ish determination now is more effec-
tively recognized by all concerned
and that to bring in Churchill as a
demonstration would act as a super-
fluous irritant and would be de-
nounced in Germany as glaring proof
of aggressive designs."

Rothermere Foresees Peace

PARIS, July 9 (AP).—Viscount
Rothermere, publisher of the Lon-
don "Daily Mail" and other British
newspapers, declared today in a
statement to the Havas (French)
news agency that he was "certain"
a peaceful solution of the Danzig
quarrel could be found.

He said the increased military
strength of Great Britain and
France made it possible for them
now to "dictate a policy of appease-
ment." Lord Rothermere described
the problem as "difficult," but said
if it were treated in a "realistic man-
ner" there was no reason why it
could not be settled.

Political circles considered it sig-
nificant that the publisher's state-
ment was issued on the eve of Prime
Minister Chamberlain's expected
statement on British-French will-
ingness to fight to keep Danzig from
being taken by Germany over Polish
objections.

Paris diplomatic circles said the
French government already had ap-
proved the text of Chamberlain's
declaration, scheduled for tomorrow
in the House of Commons.

Reich or Italy? 150,000 Facing Choice in Tyrol

Legally Italian, but German
by Heritage, They Must
Decide Fate in 3 Months

BOLZAN, Northern Italy, July 9
(AP).—About 150,000 Italian-Germans

appeared today to have three months
in which to decide whether they
want to leave their homes and be-
come Germans or stay in this region
and see their children and grand-
children grow up as Italians.

Legally they already are Italians;
they have been since the Treaty of
St. Germain gave the Austrian South
Tyrol, a part of the Austro-Hungar-
ian Empire, to Italy as World War
spoils. By physique, language and
dress, however, they and their an-
cestors have been German or Aus-
trian for hundreds of years.

The decision was forced upon them
by an agreement which officials said
was reached in principle a week ago
between Italy and Germany. Such
details as property settlements and
transportation remain to be worked
out.

Nazis here said 8,000 Germans who
were not Italian citizens must leave
the frontier regions. Most expected
to go back to Germany within three
months, although Germans said
some might migrate to other parts
of Italy if they chose.

In addition, Italian citizens of
German origin whose political rec-
ords have not satisfied the Italian
government may be moved away
from the frontier. The total num-
ber of those who eventually will be
compelled to leave the frontier dis-
trict was not known.

Peasants and landowners, as well
as some business men, became
alarmed when word first spread that
all inhabitants of German blood
would have to go. Newspapers have
told them nothing. Official and
party sources let it be known that
only those who actually were Ger-
man citizens would be obliged to
leave as the Italian-German agree-
ment now stands.

But around 150,000 must make the
crucial decision. Their children
speak Italian in the schools. Many
also speak German, which may be
studied in the higher grades. The
general belief was that a majority,
and especially those who own prop-
erty, would elect to remain.

'Man Smuggling' Grows On Polish-Nazi Border

Jews Leaving Reich While Ger-
mans Try to Return

BERLIN, July 9 (AP).—"Man smug-
gling" was reported going on today
in both directions on the Polish-Ger-
man frontier. Hundreds of Polish
Jews under Nazi compulsion were
said to be on the border attempting
to enter Poland, while German resi-
dents of Poland were trying to get
back home against the official Polish
will.

Polish police were reported disguised as farmers working in fields along the border to thwart smuggling activities. In addition, Polish border patrols have been heavily reinforced in recent weeks.

Contingents of Jews have been taken daily to the frontier by German police since the latest general roundup of Polish Jews began, early last month. Ten thousand such Jews in Germany have received notices since then to leave within ten days or two weeks. Some have gone, but a majority of them still are on German soil.

The official German statistical office reported that 8,629 Jews left Germany during the first quarter of 1939—most of them going to the United States, Latin America and Asia.

Poles Hear Nazis Mass On Former Czech Border

Barbed-Wire Entanglements 200 Yards From Poland

WARSAW, July 9 (AP).—Reports reached Warsaw tonight of German troop movements along the frontier between Poland and the former Czechoslovakia. Though no details as to the number of troops involved were learned, the impression prevailed in Poland that only routine reinforcements were being carried out in the region.

The Germans were reported to be constructing barbed-wire entanglements 200 yards from the frontier, while materials for fortifications appeared to be arriving steadily.

From Danzig it was reported that a Polish railway employee, Paul Zynda, had been attacked and severely beaten yesterday by four Danzig Nazis at Schonwerling, in the Free City area. The report said Danzig newspapers admitted the incident had occurred, but alleged Zynda had attacked all four Nazis.

Sofia Premier at Belgrade

BELGRADE, July 9 (AP).—Premier George Klosselvanoff of Bulgaria, en route home after a state visit to Germany, was greeted today at Bled by Foreign Minister Alexander Cincin-Markovich of Yugoslavia and the German Minister at Belgrade, Victor von Heeren. The Bulgarian Premier is to be received tomorrow by Prince Regent Paul.

3-Hour Moscow Parley Fails To Break Impasse On Pact

Mutual Assistance Issue Left In Air Despite Length Of British-French-Russian Talks

[By the Associated Press]

Moscow, July 9.—The longest conversation in many weeks on the British-French-Soviet Russian negotiations for a mutual assistance pact ended at the Kremlin late tonight with the outcome still one of Europe's big question marks.

For three hours representatives of the three powers discussed the proposed agreement and all that could be learned after the session broke up was that the pact had not yet been concluded but that the negotiations would continue.

It was understood, however, that the Soviet reply to the latest British-French proposals had been delivered by Vyacheslav Molotov, premier-foreign commissar, to Sir William Seeds, British Ambassador; Paul Emil Nagiar, French Ambassador, and William Strang, special British envoy.

Long Meeting Held

Today's long talks followed a two-and-one-quarter-hour meeting yesterday after the British and French diplomats received new instructions from their governments in an effort to hasten to a conclusion twelve weeks of fruitless negotiations.

There was no announcement when there would be another meeting.

The Moscow radio in a midnight broadcast said today's "conversations did not produce a definite result," but some observers believed the length of

the conversations indicated agreement may have been reached on all essential points and that the negotiators had settled down to the arduous task of ironing out details.

Fears No Criticism

One feature of the protracted negotiations which often is overlooked abroad is that the Soviet Government is not hampered by criticism of opposition parties or press, a factor which Britain and France cannot ignore at home.

While the Chamberlain and Daladier governments frequently have been assailed at home for failure to speed negotiations, the Soviet press has been printing little about the negotiations. A suggestion that Moscow might be continuing to stress Baltic features of the mutual assistance problem was seen in the reprinting by Moscow newspapers of an article from an American weekly, *The Nation*.

The article said in effect that Sweden and Norway could not remain neutral in event of a war involving Germany and Soviet Russia, because of the importance of Swedish ores and Norwegian Arctic harbors, while Finland, Estonia and Latvia, similarly would be excluded from neutrality because they command waters vital to the Soviet fleet.

Germany in effect today that Great Britain would stand firmly by Poland in resisting any Nazi coup to bring Danzig back into the Reich.

He made a carefully worded statement, which had the advance approval of both Poland and France, in the House of Commons in an effort to remove any doubts which Adolf Hitler or other German leaders might have concerning Great Britain's position.

Recent occurrences in the Free City, the Prime Minister asserted, had aroused fears that an attempt might be made to change its status by "unilateral action organized by surreptitious methods" and present Poland and other Powers with a "fait accompli."

Not Purely Local Matter.

"In such circumstances," he said, "any action taken by Poland to restore the situation would, it is suggested, be represented as an act of aggression on her part and if her action were supported by other Powers, they would be accused of aiding and abetting her in the use of force."

He then declared that such a sequence of events "could not be considered as purely a local matter involving the rights and liberties of Danzigers, which incidentally are in no way threatened, but would at once raise graver issues affecting Polish national existence and independence."

Thus linking Great Britain's pledge to Poland directly with the Danzig dispute, the Prime Minister said:

"We have guaranteed to give our assistance to Poland in case of a clear threat to her independence which she considers it vital to resist with her national forces and we are firmly resolved to carry out

avoid language which Germany might use to advantage in furthering her claims of encirclement and to leave open the door to possible negotiation of a settlement of the Danzig question by Germany and Poland.

The statement was intended to supplement the recent speech of Foreign Secretary Lord Halifax, who asserted in strong terms that Great Britain was determined to resist aggression, but omitted specific reference to Danzig.

First Detailed Statement.

Mr. Chamberlain's long review of the Danzig situation was his first detailed statement on the Free City since the present crisis began.

He began by saying that Danzig was almost wholly German in population, but that its prosperity depended to a very large extent on Polish trade.

"Another Power established in Danzig," he said, "could, if it so desired, block Poland's access to

the sea and so exert an economic and military stranglehold upon her."

"Those who were responsible for framing the present statute of the free city were fully conscious of these facts and did their best to make provisions accordingly."

"Moreover, there is no question of any oppression of the German population in Danzig. On the contrary, the administration of the Free City is in German hands and the only restrictions imposed upon it are not of a kind to curtail the liberties of its citizens."

He said that the present arrangement might be capable of improve-

a reply was sent to Berlin on March 26. I ask the House to note carefully these dates.

"It has been freely stated in Germany that it was his Majesty's Government's guaranty which encouraged the Polish Government to take the action which I have described, but it will be observed that our guaranty was not given until March 31. By March 26 no mention of it even had been made to the Polish Government."

Fears Aroused by Danzig.

The Prime Minister went on: "Recent occurrences in Danzig have inevitably given rise to fears that it is intended to settle her future status by unilateral action organized by surreptitious methods, thus presenting Poland and other Powers with a fait accompli."

"In such circumstances, any action taken by Poland to restore the situation would, it is suggested, be represented as an act of aggression on her part and if her action were supported by other Powers, they would be accused of aiding and abetting her in the use of force."

Mr. Chamberlain reiterated Great Britain's determination to fulfill her undertaking to go to Poland's aid in event of a "clear threat to her independence which she considered it vital to resist with her national forces."

It may be, he said, "that in a clearer atmosphere possible improvements of the situation could be discussed, but that 'any future arrangements would have to be based on absolutely clear obligations equally binding to both parties (Poland and Germany).'"

"His Majesty's Government," he added, "realize that recent developments in the Free City have disturbed confidence and render it difficult at present to find an atmosphere in which reasonable counsels can prevail."

Put Trust In Free City.

"In face of this situation, the Polish Government have remained calm and his Majesty's Government hope that the Free City with her ancient traditions may again prove as she has done before in her history that different nationalities can work together when their real interests coincide."

"Meanwhile, I trust that all concerned will declare and show determination not to allow any incidents in connection with Danzig to assume such a character as might constitute a menace to the peace of Europe."

When he had ended, he was asked by Harold Macmillan, Conservative, whether "the Government will take as serious a view of any attempt to change the actual de facto status of Danzig as they would take of any attempt to change the de jure status."

Mr. Chamberlain refused, however, to elaborate on his prepared

statement.

Polish Envoy Returns.

Count Edward Raczyński, Polish Ambassador to London, returned from Warsaw last night with the latest information on Poland's view of the Danzig situation. With him came Col. Adam Koc, former president of the Bank of Poland, to resume Anglo-Polish financial negotiations.

There were rumors that Poland might get a big commercial credit of about \$15,000,000 (\$70,200,000) to buy armaments and war materials. The Government has introduced a bill calling for an extra \$50,000,000 (\$234,000,000) credits for nations to whom Great Britain has pledged aid in defense of their independence.

Some observers wondered whether there might be some significance to the statement of Lord Rothermere, publisher of the London Daily Mail, to the Havas News Agency in Paris last night that he did not "believe there is going to be war over Danzig."

Baltic States a Barrier.

Most London newspapers, however, took the view that although a peaceful settlement of the Danzig issue was desirable, neither Great Britain nor France was pressing Poland to effect one.

The Times of London, meanwhile, called attention to another phase of British foreign policy, noting editorially that negotiations with Russia over mutual assistance had been resumed "without result as yet."

The newspaper, which has closed Government contracts, pointed to Russia's proposals for guaranties to three Baltic States as the stumbling block. The States themselves—Finland, Latvia and Estonia—have indicated their opposition to "unsolicited" pledges and Great Britain has been reluctant to act against their wishes.

"Yet, even if it proves impossible to formulate every conceivable contingency satisfactorily," the Times argued, "there should still be room enough for a tri-partite treaty of mutual assistance among the U. S. S. R., Great Britain and France about which the three countries are understood to have been in fundamental agreement throughout the negotiations and for a joint declaration on the principle of extending as soon as possible their help to any States contiguous to themselves or to Germany, and when that help should be asked for."

Time Touches on China.

The longest conversation in many weeks on the British-French-Russian negotiations was held last night in Moscow, but all that was known after the three-hour talk was that there had been no conclusive agreement. Some observers in Moscow, however, believed that all differences on essential points

CHAMBERLAIN WARNS GERMANY AGAINST NAZI COUP IN DANZIG

this undertaking."

Importance to Poland.

He described Danzig's importance to Poland, declaring that another Power established there "could, if it so desired, block Poland's access to the sea and so exert an economic and military stranglehold upon her."

Mr. Chamberlain asserted there was no question of "any oppression of the German population in Danzig" and that the present position was not basically unjust or illogical.

But, keeping the door open for negotiation, he said: "It may be that in a clearer atmosphere possible improvements could be discussed."

Mr. Chamberlain's cautious phraseology had a double purpose—to

ment, but that it could not be regarded as "basically unjust or illogical."

Germany herself had guaranteed the status quo of the Free City, he said, until April 28 when Adolf Hitler denounced the Polish-German non-aggression pact.

In March, however, he continued,

the German Government started a press campaign for the return of Danzig to Germany, and Poland realized that she might be faced with a one-sided solution of the problem which she "would have to resist."

"Accordingly, they refused to accept the German point of view," the Prime Minister explained, "and themselves made suggestions for a possible solution of the problems in which Germany was interested."

"Certain defensive measures were taken by Poland on March 23 and

Unilateral Action Would Be Viewed as Danger to Polish Liberty.

CITY'S STATUS NOT 'UNJUST'

But British Prime Minister Sees Discussion Possible Later in Clearer Atmosphere.

LONDON, July 10 (A. P.).—

Prime Minister Chamberlain told

had been erased and that the negotiators were ironing out details. The Times also asserted that Anglo-Japanese negotiations over

the Japanese blockade of the British concession at Tientsin can properly concern only local questions connected with present conditions at Tientsin. Any attempt to raise wider issues, "such as general principles applying to European settlements and concessions in Chinese ports, would affect other Powers as well as Great Britain," the newspaper said.

Air Minister Urges Caution.

PARIS, July 10 (A. P.).—Marcel Deat, former French Minister, declared today that France and Great Britain should exert wise pressure on Poland and Germany to negotiate the Danzig issue.

"The British Government seems to think as I do," M. Deat wrote in the radical-Social newspaper L'Oeuvre, "that it would be more intelligent and profitable for everybody to open negotiations than to open fire."

His statement, in a long front page article, coincided with general French press expectations that British Prime Minister Chamberlain's speech to the House of Commons today would contain a reference to possible negotiations.

Nazis Hold Solution Possible.

BERLIN, July 10 (A. P.).—A "reasonable solution" of the Danzig problem is possible, some Nazi sources said today after Prime Minister Chamberlain's statement in the House of Commons on the Danzig situation.

The newspaper Deutsche Allgemeine Zeitung meanwhile saw in the House of Commons questions for which the Chamberlain statement provided the answer. "A spirit which looks for trouble, a spirit of challenge."

"He who thinks that way," the paper continued, "no longer needs to admit that he is not aiming at a peaceful solution of a question which has been burdening Europe for the last twenty years, but instead that he aims at challenging the totalitarian States. That has been understood by us and also by Italy."

Poles Applaud Statement.

WARSAW, July 10 (A. P.).—Prime Minister Chamberlain's statement in London today was termed "a warning to Germany that cannot go unheeded" by responsible Polish circles.

They left no doubt that Poland appreciated the British attitude, but it was stated that Mr. Chamberlain's words would have to be studied before official comment could be given.

Text of Chamberlain Speech

British Prime Minister Reviews Danzig Case in Statement to House of Commons.

LONDON, July 10 (A. P.).—The text of Prime Minister Chamberlain's statement in the House of Commons today on the Danzig situation follows:

I have previously stated his Majesty's Government are maintaining close contact with the Polish and French governments on the question of Danzig.

I have nothing at present to add to the information which has already been given to the House about the local situation, but I may perhaps usefully review elements of this question as they appear to his Majesty's Government.

Racially Danzig is almost wholly a German city, but the prosperity of its inhabitants depends to a very large extent upon Polish trade.

The Vistula is Poland's only waterway to the Baltic and the port at its mouth is, therefore, of vital strategic and economic importance to her.

Could Block Access to Sea.

Another Power established in Danzig could, if it so desired, block Poland's access to the sea and so exert an economic and military stranglehold upon her.

Those who were responsible for framing the present statute of the Free City were fully conscious of these facts and did the best to make provisions accordingly.

Moreover there is no question of any oppression of the German population in Danzig.

On the contrary, the administration of the Free City is in German hands and the only restrictions imposed upon it are not of a kind to curtail the liberties of its citizens.

The present settlement, though it may be capable of improvement, cannot in itself be regarded as basically unjust or illogical.

The maintenance of the status quo had in fact been guaranteed by the German Chancellor himself up to 1944 by the ten-year treaty which he had concluded with Marshal Pilsudski.

Up till last March, Germany seemed to have felt that while the position of Danzig might ultimately require revision, the question was neither urgent nor likely to lead to serious dispute.

Recalls Case of Czechs.

But in March, when the German Government put forward an offer in the form of certain desiderata accompanied by a press campaign, the Polish Government realized they might presently be faced with an unilateral solution which they would have to resist with all their forces.

They had before them events which had taken place in Austria, Czechoslovakia and Memelland.

Accordingly they refused to accept the German point of view and themselves made suggestions for possible solution of the problems in which Germany were interested.

Certain defensive measures were taken by Poland on March 23 and

a reply was sent to Berlin on March 26.

I ask the House to note carefully these dates.

It has been freely stated in Germany that it was his Majesty's guaranty which encouraged the Polish Government to take the action which I have described, but it will be observed that our guaranty was not given until March 31.

By March 26 no mention of it even had been made to the Polish Government.

Fearful of Fast Accomplish.

Recent occurrences in Danzig have inevitably given rise to fears that it is intended to settle her future status by unilateral action organized by surreptitious methods, thus presenting Poland and other Powers with a "fait accompli."

In such circumstances any action taken by Poland to restore the situation would, it is suggested, be represented as an act of aggression on her part and, if her action were supported by other Powers, they would be accused of aiding and abetting her in the use of force.

If the sequence of events should be such as is contemplated on this hypothesis, the honorable members will realize from what I have said earlier that the issue could not be considered as purely a local matter involving the rights and liberties of Danzigers, which incidentally are in no way threatened, but would at once raise graver issues affecting Polish national existence and independence.

We have guaranteed to give our assistance to Poland in case of a clear threat to her independence which she considers is vital to resist with her national forces and we are firmly resolved to carry out this undertaking.

I have said that while the present settlement is neither basically unjust nor illogical, it may be capable of improvement.

Quotes Foreign Minister.

It may be that in a clearer atmosphere possible improvements could be discussed, indeed Col. Beck, the Polish Foreign Minister, has himself said in his speech on May 5 that if the Government of the Reich is guided by two conditions—namely, peace intentions and peaceful methods of procedure, all conversations are possible.

In his speech before the Reichstag on April 28 the German Chancellor said that if the Polish Government wished to come to fresh contractual arrangements governing its relations with Germany he could but welcome such an idea.

He added that any future arrangements would have to be based on an absolutely clear obligation

equally binding on both parties. His Majesty's Government realize that recent developments in the Free City have disturbed confidence and rendered it difficult at

present to find an atmosphere in which reasonable counsels can prevail.

In the face of this situation, the Polish Government have remained calm and his Majesty's Government hope that the Free City, with her ancient traditions, may again prove, as she has done before in her history, that different nationalities can work together when their real interests coincide.

Meanwhile I trust that all concerned will declare and show determination not to allow any incidents in connection with Danzig to assume such a character as might constitute a menace to the peace of Europe.

Danzig Is Protesting to Poles Over Violation of Its Frontier

Charges Soldiers Menaced Customs Guards — Nazis Demand Arms Depot in City

Be Removed by Warsaw.

FREE CITY OF DANZIG, July 10 (A. P.).—Free City officials drafted a protest to Poland today against an alleged violation of the frontier by three Polish soldiers.

The police charged that shortly before dawn two Polish privates and a non-commissioned officer crossed the bridge over the Vistula River at Liessau and menaced Danzig customs officials with a rifle. The customs officials, they said, held their ground and the Poles were persuaded to return to Poland.

Vorposten, Danzig Nazi newspaper, described the incident as "Polish provocation."

Protest Munitions Dump.

It came in the wake of a defiant Nazi demand for the removal of a Polish military depot on the strategic Westerplatte at the mouth of the Vistula.

"Away with this Polish ammunition dump at our front door," was in effect the demand made by Danzig's Nazi party leader, Albert Forster.

Many Free City citizens expressed fear that blowing up the depot would be the last act of the Poles if a military force obliged them to abandon the Westerplatte.

The Westerplatte is a flat, dreary stretch of land some hundreds of yards long, just across the ship canal from the Free City community of Neufahrwasser, where Forster yesterday made one of two

speeches in which he thundered defiance at Poland.

Crowds Cheer Forster.

Tens of thousands of Danzig residents in brown, black and gray uniforms cheered Forster's reassertion of confidence that Adolf Hitler would "liberate the Free City." Poland and Great Britain, her ally, were booed lustily.

The Westerplatte, in the heart of Free City territory, but Poland

occupies it by virtue of a concession from the League of Nations, Danzig's nominal protector.

The most conspicuous feature of the Westerplatte from the harbor is a long red wall on which Polish soldiers stand guard—evidence of

ties" by three Polish soldiers.

Two Polish privates and a non-commissioned officer were said to have crossed the frontier bridge over the Vistula River at Liessau and menaced Danzig customs officials with a rifle before being persuaded to return.

Danzig Nazis, who control the Free City's government and virtually the entire social and economic life of the territory, took particular exception to Mr. Chamberlain's observation that the Danzig issue "could not be considered as a purely local matter."

Possible Influence Scouted

"The Chamberlain statement can have no possible influence on the German decision as to the ultimate disposition of Danzig," said one person close to the Free City's government. "The so-called Danzig issue must be met as the Memel problem was—that is without interference from States with no legitimate interests in the matter," he added.

The few Polish officials stationed in Danzig were elated by the reassurance that Britain would include Danzig in its guarantee to Poland.

Official sources, meanwhile, said the Danzig visit of the United States Ambassador to Warsaw, Anthony J. Drexel Biddle Jr., was "purely private."

Mr. Biddle, who arrived in the Free City on Sunday, called on the League of Nations Commissioner, Professor Karl J. Burckhardt, the Polish Commissioner and other officials.

French Hint at Solution Putting Danzig in Reich

Semi-Official Quarters Would Give Poles Trade Rights

PARIS, July 10 (A. P.).—A three-point proposal designed to solve the Danzig problem was advanced tonight by semi-official French sources, which indicated the program had Polish approval. These sources suggested that Germany be allowed technically to incorporate the Free City of Danzig into the Reich provided that:

1. Germany guaranteed that Danzig would be a demilitarized zone;
2. Polish rights to navigate the Vistula River would not be infringed;
3. The use of the free port of

Danzig would be guaranteed to Poland.

Such a solution, these sources said, would satisfy German demands for Danzig based on the fact that its population is overwhelmingly Germanic. At the same time it would not make concessions that Poland has insisted she cannot make without sacrificing her essential economic interests in the Free City.

French diplomatic sources, how-

ever, again reiterated that both France and Britain would stand by their pledges to Poland if she considered her vital interests endangered.

The same sources said that Poland had fixed limits beyond which she would not allow the Germanization of Danzig, but they added that Poland never had denied the German Nazi character of Danzig and on this point always had been ready to negotiate a solution.

The three-point proposal was said by diplomats to fall within these limits fixed by Poland. They stressed, however, that such a solution would be dependent on German willingness to negotiate rather than attempt to force a solution by threats.

Berlin Asserts British Pledge Alters Nothing

Nazis Charge Chamberlain With 'Encouraging Polish Chauvinism' on Danzig

BERLIN, July 10 (A. P.).—German political circles, reacting sharply to Prime Minister Neville Chamberlain's declaration of the British position concerning the free city of Danzig, asserted tonight his statement "changes absolutely nothing." They charged Great Britain with "encouraging Polish chauvinism" and said that, although a "reasonable solution" still could be found for the Danzig problem, "from Berlin, the right atmosphere for such a solution cannot be perceived."

"It is particularly deplorable," it was said in these quarters, "that Chamberlain did not mention the wishes of the Danzig citizens." To this was added the ironic comment that, "of course, it is realized here that Britain never was particularly strong for self-determination of peoples. Otherwise, the British Empire would not stand as it does today." (96 per cent of Danzig's population is German.)

Deutsche Dienst, authoritative commentary, underscored the reaction to Chamberlain's speech in German political quarters, by saying:

"Once more, Herr Chamberlain found it right to make a statement on the Danzig question without successfully presenting, however, even one single new viewpoint."

"In view of the abundance of official and semi-official speeches and articles by English ministers and agitating historical falsifiers, one could resort to providing such talks in the future merely with consecu-

live numbers.
"If such repetitious are intended to intimidate Germany in the protection of her justified interests, then Herr Chamberlain may be assured that he is accomplishing just the opposite."

Meanwhile, separate announcements were made that Foreign Minister Joachim von Ribbentrop and Col. Gen. Walter von Brauchitsch, chief of staff of the German army, had left Berlin for vacations of "several weeks."

Germans declared: "The net result of Chamberlain's speech was an encouragement of Polish chauvinism. It was noteworthy that Chamberlain admitted that Poland had mobilized first—on March 23—and only thereafter answered Germany's proposals with a refusal. The Prime Minister's argument that the British guaranty was not given to Poland until March 31, or eight days after the Poles had taken defensive measures, falls flat."

(Chamberlain made a rant of the dates because, he said, "it has been freely stated in Germany" that it was the British guaranty to Poland "which encouraged the Polish government" to take defensive measures.)

It was said in the same Berlin quarters: "The British guaranty at that time was called the most noteworthy change in British foreign policy in a long time. Such changes are not made overnight without long deliberations. Hence, the decision to make the change must have been taken much earlier."

In reply to Chamberlain's statement that in a clearer atmosphere an "improvement" in the Danzig situation might be found, Germans said: "We have done our share to keep the atmosphere clear by playing down the brutality practiced against Germans in Poland. We have been reluctant to publish these stories. We have done our share, and it is now up to Poland and Britain to do theirs."

"Historic Declaration," Is View In Warsaw

Warsaw, July 10 (P)—Gratified Poles tonight expressed the belief that Prime Minister Neville Chamberlain's promise to support Poland in opposing German absorption of Danzig should do much toward easing the situation in eastern Europe by showing that Poland has the support of Western powers.

The statement in the British House of Commons today came as welcome reassurance to a nation which has been heavily mobilized for almost four months and under severe nervous and financial strain.

Through this strain, induced by fears that Germany would seize Danzig either from within or without, Poland has clung to the belief she was upholding the peace of Europe as well as her own interest in keeping free access to the Baltic.

Solidarity Shown

Poles considered it had become necessary to convince Berlin there was a limit beyond which Nazi activities in Danzig would not be tolerated. Chamberlain's statement was regarded as an important step in this direction, showing also British-French-Polish solidarity on the matter.

While official sources expressed "satisfaction" at his words, popular opinion went further and greeted his statement with enthusiasm. Newspapers carried headlines hailing it as an "historic declaration."

Authoritative Poles believed the British Prime Minister had done much to dispel two suspicions in Polish public opinion—that Britain had not fully accepted the Polish view regarding Danzig and that Britain might not be prepared to share the Polish attitude toward subversive activities in the Free City.

Meanwhile, the finance ministry and the Bank of Poland announced that the present issue of silver coins would be increased by 50,000,000 zlotys (\$9,400,000).

It was stated that the increase resulted not from necessities of the treasury but because "in certain parts of the country there is a lack of silver money." This apparently referred to a recent flurry of hoarding of silver coins, especially by peasants during the international tension, which brought a shortage of change in larger cities.

"Idle" To Ignore Danzig Signs, Canterbury Says

London, July 10 (P)—The Archbishop of Canterbury said today the importance of Danzig lay in the fact that some occurrence there might show whether "another of those cases of aggression was to occur which would shatter all hopes of international order and peace."

Speaking at the Canterbury diocesan conference, he said it would be "idle" to ignore "ominous signs that events might happen within the next month—or possibly weeks—on which issues of peace or war might depend."

He added:
"The nerves of the whole world are being kept on a rack because it is impossible to know what plans or purpose might be passing through the strange and impenetrable mind of one man, at once powerful and irresponsible."

NEW TYROL EXODUS

Italians Now Order Swiss and Dutch to Leave

ROME, July 10 (A. P.).—Italy's determination to Italianize the frontier

provinces was emphasized today by a report from an authoritative source that the Government is ordering persons of other nationalities to leave the Alto Adige section of the South Tyrol.

This order affected persons in addition to the 8,000 Germans leaving under a new arrangement with Berlin for persons of German origin to go to Germany from the South Tyrol.

The Italian Government was reported to have given all Swiss and Dutch residents in the Alto Adige region orders to leave the territory within forty-eight hours. The Netherlands and Swiss Ministers were reported to have taken the question up with the Italian Government.

No estimate was given of the number of Swiss and Dutch involved, but the number of Swiss was thought to be considerable.

No orders had yet been given concerning Americans.

Italians Order Swiss and Dutch To Leave Tyrol

Extend Drive to 'Italianize' Frontier With 48-Hour Notice to Non-Germans

ROME, July 10 (P).—The Italian government, clearing its frontier area of unwanted foreigners, has ordered several hundred Swiss and Dutch residents to leave the Bolzano resort district by noon tomorrow, authoritative information received tonight here said.

Jan Hubrecht, the Netherlands Minister at Rome, was reported to have asked the Italian Foreign Ministry to explain the sudden decision, and it was learned the Swiss also inquired about the status of their citizens.

There were reports that persons of other European nationalities might also be forced to leave Bolzano—which, as part of the South Tyrol, was Austrian until after the World War—but these reports could not be confirmed.

(At Zurich, Switzerland, the newspaper "Neue Zuercher Zeitung" said it had learned that all Swiss, French, English and Dutch residents had been ordered out and that they would get permission to settle elsewhere in Italy.)

Diplomats Mystified

Reports here said several hundred Swiss and between 100 and 200 Dutch were affected by the order. Most of the Dutch are elderly or retired persons, or in ill health.

Diplomats were mystified at the abrupt expulsion order. It was said

to have been given yesterday, when the Swiss and Dutch were called to police stations and told to leave in forty-eight hours.

Only a dozen or so Americans were believed to be in the region.

Under a plan announced officially last week, the German and Italian governments are co-operating to assist all German-Italians in the South Tyrol who so desire to move to Germany.

Emigration Suggested for Danzig

LONDON, July 10 (P).—Prime Minister Neville Chamberlain was asked in the House of Commons by the Marquess of Clydesdale today to suggest that Germany settle the Danzig problem by bringing home the German population of the Free City, as she is doing in the case of the South Tyrol, once-Austrian region now a part of Italy. It was also suggested that Italy might handle the Tunisian quarrel with France in the same manner.

Under Secretary of Foreign Affairs Richard Austen Butler, replying for Chamberlain, said that more time would be required to see how the South Tyrol transfer was taking place before Great Britain could suggest a general application of the proceeding.

(There is a large Italian population in French-governed Tunisia, in North Africa, for whom Italy seeks increased rights.)

YUGOSLAV-BULGAR ACCORD EFFECTED

Balkan Neighbors Form "Neutral Front" To Preserve Independence

Pact Follows Return Of Sofia Premier From Visit To Hitler—Rumania Relieved

[By the Associated Press]

Belgrade, July 10—Yugoslavia and Bulgaria formed a "neutral front" in the Balkans tonight as the aftermath of a visit by Bulgaria's Premier, George Kiosseivanoff, with Adolf Hitler in Berlin.

A communique issued after Kiosseivanoff consulted with Prince Paul, Regent of Yugoslavia, stressed that the two neighboring nations would maintain "independence and neutrality in the best interests of Balkan freedom."

Rumania, fearful that the Rome-Berlin axis was welding a "little axis" to include Yugoslavia, Bulgaria and Hungary, greeted the announcement with obvious relief.

Rumania Fearful

Advices from Bucharest were, however, that neutrality by Yugoslavia and Bulgaria might mean that Rumania would be cut off in time of need from land routes to Turkey and Greece which, like Rumania, have received British-French guarantees.

Before continuing on to Sofia, Kiosseivanoff conferred with Prince Paul, who also was a recent guest of Hitler in Berlin.

Joint Policy Outlined

A communique issued after their talk outlined the joint policy of the two nations thus:

Political relationship "in a spirit of eternal friendship."

Speedy development of mutual economic interests.

Maintenance of independence and neutrality "in the best interests of Balkan freedom."

Friendship with all neighbors.

Balkan diplomatic circles regarded the announcement as indication that no new engagements had resulted from the Bulgarian Premier's visit to Berlin.

Yugoslavia May Drop Out

Diplomats predicted the four-point program might involve the gradual withdrawal of Yugoslavia from the Balkan entente which was formed after the World War by Rumania, Yugoslavia, Greece and Turkey to maintain the territorial status quo, chiefly at Bulgaria's expense.

In the World War settlements, Bulgaria, an ally of the central powers, lost territory to Rumania, Greece and Yugoslavia.

Germany Warns Turkey To Be Friendly To Italy

Berlin, July 10 (P)—Foreign Office quarters tonight warned Turkey that she could not be friendly with Germany if she is not on good terms with Italy.

The German press likewise reflected such warning in consequence of a statement of policy by Turkey's Foreign Minister, Sukru Saracoglu, who was quoted as having made a friendly gesture toward Berlin while doing the opposite toward Germany's axis partner.

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"GERMANY AND ITALY ARE SO CLOSELY BOUND TOGETHER THAT A HOSTILE ATTITUDE TOWARD ONE OF THEM MUST BE TAKEN AS A HOSTILE ATTITUDE TOWARD THE OTHER," FOREIGN OFFICE SOURCES SAID.

ADOLF HITLER'S NEWSPAPER, VOELKISCHER BEOBACHTER, WILL SAY TOMORROW:

"WHEN ANKARA LENDS AN EAR TO ENGLISH WHISPERINGS AND PERMITS ITSELF TO BE MANEUVERED INTO AN OUTSPOKEN UNFRIENDLY ATTITUDE TOWARD ITALY, THEN THIS SAME RELATIONSHIP MUST PERFORCE BEAR UPON TURKEY'S RELATIONS WITH GREATER GERMANY."

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CZECHS BUY GUNS

Independence Fund Being Raised Here.

BALTIMORE, July 10 (A. P.).—Money for the purchase of guns, ammunition and supplies for secret groups organized in Czecho-Slovakia to regain independence from Germany is being sent from the United States, an official of the United Czecho-Slovakian Club here said today.

Anthony J. Svedja, club secretary, said in an interview that money raised in Baltimore and other points in the United States by contributions from Czecho-Slovaks living in the country goes first to national headquarters in Chicago and from there is taken abroad by messenger.

ANSWERING CRITICS WHO INSISTED THAT "BRITAIN WILL NEVER FIGHT FOR DANZIG," AND OBVIOUSLY TRYING TO DISCOURAGE GERMANY FROM BELIEVING SHE CAN BRING DANZIG BACK TO THE REICH WITHOUT A MAJOR WAR, CHAMBERLAIN STRESSED THESE FOUR POINTS:

1. "WE HAVE GUARANTEED TO GIVE OUR ASSISTANCE TO POLAND IN THE CASE OF A CLEAR THREAT TO HER INDEPENDENCE WHICH SHE CONSIDERS IS VITAL TO RESIST WITH HER NATIONAL FORCES, AND WE ARE FIRMLY RESOLVED TO CARRY OUT THIS UNDERTAKING."

LONDON, JULY 10-(AP)—PRIME MINISTER CHAMBERLAIN TOLD FUEHRER ADOLF HITLER TODAY, THROUGH A CAREFULLY-WORDED STATEMENT HE READ IN THE HOUSE OF COMMONS, THAT BRITAIN WOULD FIGHT ALONGSIDE POLAND IF NECESSARY TO PREVENT GERMANY FROM TAKING THE FREE BALTIC PORT OF DANZIG BACK INTO THE REICH.

~~GERMANY~~ WAS NOT MENTIONED BY NAME, BUT THERE WAS NO MISTAKING THAT THE STATEMENT, APPROVED IN ADVANCE BY BOTH POLAND AND FRANCE, WAS WRITTEN FOR ~~THE REICH~~ HIM.

REITERATING BRITAIN'S PROMISE TO SUPPORT THE POLES IF THEY FOUGHT TO PROTECT THEIR INDEPENDENCE, CHAMBERLAIN SAID:

"THE VISTULA (RIVER

JBRIAUPNJRKXS ONLY WATERWAY O THE BALTIC,

"THE VISTULA (RIVER) IS POLAND'S ONLY WATERWAY TO THE BALTIC, AND THE PORT AT ITS MOUTH (DANZIG) IS THEREFORE OF VITAL STRATEGIC AND ECONOMIC IMPORTANCE TO HER."

THIS STATEMENT WAS GENERALLY INTERPRETED AS BRITAIN'S ACCEPTANCE OF THE POLISH CLAIM THAT DANZIG IS VITAL TO POLISH INDEPENDENCE, WHICH BRITAIN HAS GUARANTEED.

2. BRITAIN ACCEPTS THE FACT THAT DANZIG IS VITAL TO POLISH INDEPENDENCE BECAUSE "ANOTHER POWER ESTABLISHED IN DANZIG COULD, IF IT DESIRED, BLOCK POLAND'S ACCESS TO THE SEA AND SO EXERT AN ECONOMIC AND MILITARY STRANGLEHOLD UPON HER."

3. BRITAIN IS ALERT FOR ACTION BY GERMANY TO ENCOURAGE AN UPRISING IN DANZIG WHICH WOULD FORCE POLAND TO TAKE ACTION AGAINST THE FREE CITY AND THUS MAKE POLAND SEEM AN AGGRESSOR.

4. "IF THE SEQUENCE OF EVENTS SHOULD IN FACT BE SUCH AS IS CONTEMPLATED IN THIS HYPOTHESIS, THE HONORABLE MEMBERS WILL REALIZE X X X THAT THE ISSUE COULD NOT BE CONSIDERED AS A PURELY LOCAL MATTER INVOLVING THE RIGHTS AND LIBERTIES OF THE DANZIGERS, WHICH INCIDENTALLY ARE IN NO WAY THREATENED, BUT WOULD AT ONCE RAISE GRAVER ISSUES AFFECTING POLISH NATIONAL EXISTENCE AND INDEPENDENCE."

MEMBERS RUSHED FROM THE HOUSE OF COMMONS TO THE LOBBY AS SOON AS CHAMBERLAIN FINISHED, AND THERE APPARENTLY ALL PARTIES AGREED THAT IT WAS A CLEAR, UNEQUIVOCAL STATEMENT WHICH COULD BE INTERPRETED ONLY AS A WARNING TO THE GERMAN FUEHRER.

IT WAS, MEMBERS SAID, AN ATTEMPT TO ERASE ANY BASIS FOR A REPETITION OF THE GERMAN CHARGE THAT BRITAIN DID NOT STATE CLEARLY

WHEN AND WHO SHE WOULD FIGHT IN 1914.

BUT IF THIS WAS A MAJOR STATEMENT OF BRITISH FOREIGN POLICY ON AN ISSUE WHICH MANY EXPERTS BELIEVE MAY LEAD TO A SECOND WORLD WAR, IT WAS CERTAINLY DELIVERED TO THE HOUSE IN A MOST CASUAL WAY.

FOR HALF AN HOUR BEFORE HE SPOKE CHAMBERLAIN WAS SLOUCHED ON THE GOVERNMENT FRONT BENCH WITH HIS FEET ON THE TREASURY BENCH LEVEL WITH HIS HEAD.

WHEN HE WAS ASKED FOR A STATEMENT ON THE DANZIG SITUATION HE GOT UP AND FISHED HIS FAMOUS PINCE NEZ OUT OF HIS POCKET AND DRONED THE STATEMENT OUT AS IF HE WERE RECITING THE ORDER OF BUSINESS FOR THE COMING WEEK.

THE ONLY CRITICISM MEMBERS MADE OF THE STATEMENT WAS THAT IT DID NOT MENTION GERMANY, ALTHOUGH THE ENTIRE STATEMENT OBVIOUSLY WAS DIRECTED AT BERLIN.

CHAMBERLAIN HELD LITTLE HOPE FOR IMMEDIATE DISCUSSIONS BETWEEN POLAND AND GERMANY OVER DANZIG, BUT CONCLUDED THE STATEMENT BY PLEADING "WITH ALL CONCERNED" TO "DECLARE AND SHOW THEIR DETERMINATION NOT TO ALLOW ANY INCIDENTS IN CONNECTION WITH DANZIG TO ASSUME SUCH A CHARACTER AS MIGHT CONSTITUTE A MENACE TO THE PEACE OF EUROPE."

CHAMBERLAIN SAID THAT RECENT OCCURRENCES IN DANZIG HAD CAUSED FEARS "THAT IT IS INTENDED TO SETTLE HER FUTURE STATUS BY UNILATERAL ACTION ORGANIZED BY SURREPTITIOUS METHODS, THUS PRESENTING POLAND AND OTHER POWERS WITH A FAIT ACCOMPLI." THEN HE FOLLOWED WITH THE STATEMENT THAT SUCH ACTION WOULD "AT ONCE RAISE GRAVER ISSUES AFFECTING POLISH EXISTENCE AND INDEPENDENCE."

CHAMBERLAIN DEFENDED THE STATUS QUO IN DANZIG, BUT LATER ADDED THAT ALTHOUGH THIS STATUS WAS "NEITHER BASICALLY UNJUST OR ILLOGICAL, IT MAY BE CAPABLE OF IMPROVEMENT.

"IT MAY BE THAT, IN A CLEARER ATMOSPHERE, POSSIBLE IMPROVEMENTS COULD BE DISCUSSED," HE SAID.

(EDITORS: COMPLETE TEXT OF STATEMENT MOVED ON SOME REGIONAL WIRES IN DAY REPORT.)

MJ/N456PED

(ADVANCE) LONDON, JULY 9-(AP)-FRESH OPTIMISM OVER THE EUROPEAN POLITICAL SITUATION CAME INTO THE LONDON MARKET AT THE WEEK END BUT TOO LATE TO START ANY CONSIDERABLE RECOVERY FROM THE DEPRESSION CAUSED BY RECENT FEARS OF A NAZI COUP IN THE FREE CITY OF DANZIG.

MARKETS ENDED THE WEEK GENERALLY IDLE BUT FIRMER AND WITH AN EARLIER SELLING MOVEMENT LARGELY HALTED.

THE CHIEF REASON FOR OPTIMISM APPEARED TO BE A LESSENING OF TENSION OVER DANZIG AND A TENDENCY IN LONDON'S FINANCIAL DISTRICT TO ATTRIBUTE THIS AT LEAST PARTIALLY TO WHAT WAS DESCRIBED AS THE FIRMNESS SHOWN BY THE BRITISH GOVERNMENT.

THE SITUATION REMAINED UNCERTAIN, HOWEVER, AND TRADERS AWAITED A CLEAR STATEMENT BY PRIME MINISTER CHAMBERLAIN ON THE BRITISH POSITION REGARDING DANZIG, WHICH MANY EXPECTED DURING THE COMING WEEK. SOME BELIEVED SUCH A STATEMENT WOULD HAVE A FAVORABLE EFFECT ON THE LAGGING NEGOTIATIONS FOR A BRITISH-FRENCH-RUSSIAN MUTUAL AID PACT AND THE BRITISH-JAPANESE CONFERENCE AT TOKYO ON THE TIENTSIN DISPUTE, AS WELL AS PROVIDING A FURTHER RESTRAINING INFLUENCE ON GERMANY.

BRITAIN'S DECISION TO MAKE AN ADDITION £50,000,000 (\$234,000,000) AVAILABLE FOR CREDITS FOR ARMAMENTS PURCHASES BY FRIENDLY COUNTRIES WAS THE SUBJECT OF WIDESPREAD DISCUSSIONS IN

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FINANCIAL CIRCLES AT THE WEEK END.

SOME DOUBTS WERE HELD AS TO WHETHER THIS MOVE WOULD ASSIST ECONOMIC CONDITIONS IN THE COUNTRIES MAKING USE OF THE CREDITS SO AS TO REACT FAVORABLY ON BRITISH TRADE. THE DOUBTERS ASSERTED THAT UNLESS THE CREDITS WERE ASSOCIATED VERY CLOSELY WITH A POLICY OF TRADE RECIPROCITY IT WAS UNLIKELY THAT THEY WOULD BE REPAID AND THUS FAR THERE HAS BEEN NO GUARANTEE OF SUCH RECIPROCITY.

THE QUESTION WAS ALSO RAISED WHETHER THE £50,000,000 EXPANSION WOULD BE ENOUGH. SOME FINANCIAL OBSERVERS SAID IT WAS ALMOST CERTAIN THAT REQUESTS FROM COUNTRIES WHICH FELT IN NEED OF AID FOR DEFENSE MEASURES WOULD FAR EXCEED THAT SUM.

THE PROSPECT OF NEW ORDERS FOR THE BRITISH ARMAMENTS INDUSTRY WAS WELCOMED, HOWEVER, AS AFFORDING AN OPPORTUNITY FOR MAINTAINING EXPORT CONNECTIONS AGAINST A POSSIBLE FALLING OFF IN DOMESTIC REQUIREMENTS.

THE LONDON SILVER MARKET DEVELOPED AN UNEASY TONE AT THE WEEK END AS A RESULT OF THE UNITED STATES' REDUCTION IN THE PRICE OF DOMESTIC SILVER AND FEARS IN SOME QUARTERS OF FURTHER CUTS.

SOME LONDON RUBBER DEALERS RAISED DOUBTS AS TO WHETHER THE BRITISH RUBBER INVOLVED IN THE AMERICAN-BRITISH BARTER DEAL WOULD BE READY FOR SHIPMENT UNTIL SEPTEMBER OR OCTOBER.

THE INTERNATIONAL RUBBER REGULATION COMMITTEE, THE DEALERS SAID, WAS NOT LIKELY TO AGREE ON THE PRICE AT WHICH THE NECESSARY EXTENSION OF THE QUOTA WOULD BE FIXED WHEN IT MEETS JULY 25. LACKING SUCH AGREEMENT THERE MAY BE CONSIDERABLY DELAY BECAUSE OF THE DIFFICULTY OF GETTING MEMBERS OF THE COMMITTEE TOGETHER DURING THE AUGUST HOLIDAY PERIOD, PARTICULARLY SINCE SOME OF THE MEMBERS COME FROM OVERSEAS.

THE BARTER AGREEMENT CAUSED SOME MISGIVINGS IN NETHERLANDS RUBBER CIRCLES. DEALERS FEAR IT MAY PRODUCE AN ADVERSE EFFECT ON THE FUTURE DEVELOPMENT OF THE WORLD RUBBER MARKET AND UPSET NETHERLANDS INDIES RUBBER PRODUCTION.

THERE WAS A WIDESPREAD FEELING IN AMSTERDAM THAT THE BARTER TRANSACTION CREATES A DANGEROUS PRECEDENT WHICH MAY LEAD TO THE EXTENSION OF SIMILAR AGREEMENTS TO THE DETRIMENT OF NORMAL TRADE CHANNELS.

A12 (ADVANCE FOR MONDAY AMS, JULY 10--MOVED JULY 8.) SN1235AED
(ADVANCE FOR MONDAY AMS, JULY 10).

LONDON, JULY 10-(AP)-A PROPOSAL THAT WINSTON CHURCHILL BE SENT TO MOSCOW TO HELP SPEED NEGOTIATIONS FOR A MUTUAL ASSISTANCE PACT BROUGHT A SMILE FROM PRIME MINISTER CHAMBERLAIN TODAY BUT NO ANSWER.

A BURST OF LAUGHTER IN THE HOUSE OF COMMONS INDICATED THE MEMBERS WERE THINKING OF REPORTS THAT THE PRIME MINISTER WAS STANDING FIRM AGAINST A MOVEMENT TO BRING THE WARTIME FIRST LORD OF THE ADMIRALTY INTO THE CABINET.

THE INCIDENT FOLLOWED A QUESTION AS TO WHETHER LORD HALIFAX, FOREIGN SECRETARY, WOULD BE SENT TO MOSCOW. CHAMBERLAIN REPLIED "NO."

HARRELSONS APL 01644 TV 0400

EUROPE WEIGHS PARLEY TO END DANZIG DISPUTE

Hint by Chamberlain Draws Suggestion of Technical Absorption by Reich.

PLAN ADVANCED BY FRENCH

Would Ask Guaranty of City as Demilitarized Zone and Leave Vistula Open.

LONDON, July 11 (A. P.).—Prime Minister Chamberlain's hint of a possible conference table settlement of the Danzig dispute if there were a "clearer atmosphere" broadened today into an international discussion of changes for negotiation.

While the British press played up the Prime Minister's avowal that any peremptory German annexation of the Baltic free port would be a fighting matter, there also was emphasis on the point that he left the door ajar for adjustments of Danzig's status.

In his statement to Commons yesterday, Mr. Chamberlain defended the status of Danzig—a League-protected free city within the Polish customs administration—as "neither basically unjust or illogical," but added, "it may be that, in a clearer atmosphere, possible improvements could be discussed."

French Advance Suggestion.

Semi-official French sources advanced a suggestion, which they indicated had Polish approval. It was that Germany be permitted to incorporate Danzig technically into the Reich on guaranteeing that the Free City would continue as a demilitarized zone, and that Poland could continue to navigate the Vistula River and use the port, as at present.

They added that Poland, recognizing the Germanic character of Danzig, always had been ready to negotiate a solution which would depend on German willingness to co-operate rather than to seek a forceful settlement.

Poland welcomed Mr. Chamberlain's pronouncement as making it clear that she had the support of the western Powers. The Poles considered it necessary to convince Berlin that there was a limit beyond which Nazi activities in Dan-

zig would not be tolerated.

Danzig Nazis received the British declaration of policy either as unimportant or leaving the situation unaltered, but Berlin professed to view it as a challenge.

Rome Calls Stand Prudent.

Some Nazis commented that a "reasonable solution" might be found, but the German commentary, *Deutscher Dienst*, asserted that the possibility of creating a "clearer atmosphere" had been undetermined by the English through their readiness to guarantee Poland before March 26, when Poland rejected German demands on Danzig.

Reichsfuehrer Hitler's newspaper, *Volksischer Beobachter*, commented that Mr. Chamberlain "completely ignores one decisive angle—the right of self determination of German Danzigers."

The Rome morning press, however, interpreted Mr. Chamberlain's statement as "prudent."

"It is to be emphasized," said *Il Popolo di Roma*, "that Chamberlain avoided uttering literally the phrase which so often has been uttered and besought by some journalistic circles—we English will fight for Danzig."

L'Osservatore Romano, Vatican newspaper, suggested that all causes of conflict between Poland and Germany were capable of settlement by negotiation.

Times of London Hopeful.

The Times of London said that the way for negotiations is open and "unconditional incorporation of Danzig in the Reich would completely overturn the present balance and structure of Europe."

On its editorial page the Times also published a letter from Sarah Wambaugh of Cambridge, Mass., former secretary-general of the League of Nations on the administration of Danzig and technical adviser of the Saar plebiscite commission.

The letter suggested that any

movement for Danzig self-determination should be preceded by one year's government of the Free City under an international plebiscite commission with an international police force and neutral election machinery.

ENGLISH PLANES FLY TO FRANCE

Twelve Bomber Squadrons on Training Trip.

BRITONS AT PARADE IN PARIS

Army and Navy Leaders to Take Part in Bastille Day Fete.

LONDON, July 11 (A. P.).—Twelve bomber squadrons of the Royal Air Force took off today for a non-stop training flight to southwestern France and return. The force numbered between 150 and 200 planes. A French squadron will reciprocate with a flight over Great Britain.

Four of the squadrons, which flew a triangular course over France, returned to their home stations this afternoon.

Germans Jeer at Flight.

BERLIN, July 11 (A. P.).—The flight of twelve squadrons of British bombing planes to France provoked banner headlines in the German press tonight.

"London and Paris give each other courage," said *Nachtausgabe* in big type.

"English war agitation; 200 bombers in low flight over France," was *Der Angriff's* headline.

Informed sources said that four shiploads of anti-aircraft troops sent to East Prussia by sea several weeks ago had returned to Germany proper. They had been maneuvering in the province which is separated from Germany by the Polish Corridor and which is closely guarded during the tension over Danzig.

British Leaders at Paris Fete.

PARIS, July 11 (A. P.).—The War Ministry announced today that British military leaders would come to Paris to review the parade on July 14 which officers said would be the greatest military display France ever has staged on her national holiday.

This July 14 will be the 150th anniversary of the fall of the Bastille and great celebrations are planned throughout France.

It was announced that Leslie Hore-Belisha, Britain's War Secretary; Admiral Sir Dudley Pound, commander-in-chief of the British Mediterranean fleet, and Air Chief Marshal Sir Cyril Newall had accepted Premier Daladier's invitation to come to Paris. The London Air Ministry announced last week that five squadrons of British planes would take part in the Bastille Day exercises in France.

No French Cabinet Leaves.

Meanwhile the French Council of Ministers, meeting with President Lebrun, voted to prohibit until further orders all trips by Ministers during the present international tension. The order will have the effect of keeping all members of the Cabinet on hand for immediate consultation.

The action followed a long explanation by Foreign Minister Bon-

net of continuing negotiations for a mutual assistance agreement by Britain, Russia and France. He also reported on the Danzig situation.

Premier Daladier and Justice Minister Marchandeau submitted a decree law granting amnesty to some French workers who participated in the abortive general strike of November 30, particularly employees of French national railroads.

Finance Minister Reynaud told the Cabinet that the six billion-franc (about \$159,000,000) national defense bond issue launched almost two months ago had brought 10,800,000,000 francs (about \$286,000,000) in new bond purchases and conversions.

Demonstration Of Allies Might Set For Friday

Paris, July 11 (P).—The Cabinet approved plans today for a great Bastille Day celebration Friday showing the world in general and the Rome-Berlin axis powers in particular the might of combined British-French land and air power.

Bastille Day—France's "July 4"—marks the one hundred and fiftieth anniversary of the fall of the Bastille July 14, 1789, at the start of the French Revolution.

Accept Invitation

Leslie Hore-Belisha, British War Secretary, and high commanders of Britain's land, sea and air forces have accepted Premier Edouard Daladier's invitation to stand with President Albert Lebrun and the French Cabinet to review the Bastille Day parade before the Unknown Soldier's tomb. They will see 30,000 troops—the pick

of France's home and colonial armies—and 450 British soldiers, a "sample" battalion of crack British units.

Six hundred motor vehicles, 300 armored cars and tanks and 120 pieces of artillery will pass the tomb at the Arch of Triumph.

At Le Bourget military airdrome—where foreign airplanes seldom land—the British ground crews have tuned up thirty British bombers and twenty-two other Royal Air Force fighting craft which will join one hundred fast French warplanes in an air review.

Brings Colonial Troops

France has brought troops from every corner of her empire for the parade and many native rulers have come to review the march.

Those in France now include Bao Dai, Annamese Emperor; Sidi Mohamed Ben Youssef, Sultan of Morocco, and a dozen princes and sultans from Senegal, Gabon, the Ivory Coast, Dahomey, and the Sudan, as well as a score of Tunisian sheiks.

Paris already has hung thousands of French and British flags in keeping

with the Government's appeal to display both. The Interior Ministry banned all political demonstrations Friday, and the Cabinet voted to prohibit all trips by its members "until further order."

Confer With Nazi Envoy

Premier Daladier, who seldom receives foreign diplomats except the United States and British Ambassadors conferred with the German Ambassador, Count Johannes von Welzbeck, shortly after the Cabinet meeting reviewed the international situation.

The subject of the Premier's talk was not known.

At the same time Foreign Minister Bonnet received United States Ambassador William C. Bullitt and later the British Ambassador, Sir Eric Phipps.

Bullitt called to receive latest reports on the foreign situation, since he has been away from Paris for several days.

Sources close to the foreign ministry said Phipps and Bonnet discussed British-French-Soviet negotiations.

English War Agitation, Is Nazi Press Reaction

Berlin, July 11 (P).—The flight of twelve squadrons of British bombing planes to France evoked banner headlines in the German press tonight.

"London and Paris give each other courage," said *Nachtausgabe* in big type. "English war agitation; 200 bombers in low flight over France" was *Der Angriff's* headline.

Informed sources said that four shiploads of anti-aircraft troops who were sent to East Prussia by sea several weeks ago had returned to Germany proper. They had been maneuvering in the province which is separated from Germany by Pomorze (the Polish Corridor) and which is closely guarded during the tension over Danzig.

ITALY ORDERS OUT MORE FOREIGNERS

Some French And British Told To Leave By Noon—Swiss May Ask Explanation

[By the Associated Press]

Rome, July 11—Fifteen French and four British citizens were reported today to have received orders to leave Bolzano province immediately—some by noon—as the Italian Government proceeded with forced expulsion of

foreigners from its frontier areas adjoining Germany.

Between twenty-five and thirty other Britons living in more remote mountain villages were expected to receive similar instructions.

Exodus Under Way

Some of several hundred foreigners living in Bolzano province, in the Italian Tyrol, meanwhile, left for their homes in Switzerland, the Netherlands or elsewhere under orders to go. Others were completing their packing, but had not yet boarded trains.

Paul Ruegger, Swiss Minister to Italy, was due back in Rome tomorrow and it was reported that many of the Swiss who had received expulsion orders had been told to wait until he can get an explanation from the Italian Foreign Office.

Journalist Gets Orders

It was said the Swiss Minister would remind Italian authorities that 135,000 Italians live in Switzerland, many more than the number of Swiss citizens in Italy.

One Briton affected was understood to be a journalist who had sent stories from Bolzano describing plans for transporting Germanic residents back to Germany and holding a "national plebiscite."

150,000 Could Make Choice

Through the projected plebiscite an estimated 150,000 German-Italians could make their choice between Germany and Italy.

Although Swiss and Netherland legations were understood to have taken the question up with the Foreign Office, the Italian Government had made no official statement on the enforced removals.

Information received here said that many of the Swiss and Netherlanders decided not to await the results of overtures made by their legations but began leaving for home or other parts of Italy.

[In Berne it was said that the Swiss Government was demanding an explanation of the expulsion order and asking that about 250 Swiss citizens affected be given more time to leave the district.]

The French embassy was understood to have asked for an extension of time to permit French citizens ordered out of the Tyrol to dispose of their property.

TYROL BAN EXTENDS TO ALL FOREIGNERS

Broadening Of Eviction Order Laid To Italian "Military Policy"

[By the Associated Press]

Rome, July 11—All foreigners have been ordered to leave Bolzano province in the Tyrol region of north Italy, diplomatic circles were informed tonight.

At least 1,000 were involved in addition to 8,000 Germans who are to be repatriated by Germany and approximately 150,000 German-Italians, who may choose between remaining Italians or going to the Reich.

Ordered To Leave

Although there was no announcement by Italian authorities, diplomats said they had learned that in the last few days British, French, Swiss and Dutch citizens in Bolzano province had been ordered to leave immediately.

They asserted that today it became clear that the expulsions from the frontier region would apply to all foreigners. A few Americans were understood to be there, but none had notified the American Embassy of an order to leave.

Espionage Feared

The Italian Government was said to have decided to evict all foreigners for "military policy." Foreign circles conjectured that closing the zone was intended to prevent espionage.

30.24-2427

30.24-2427

BERNE, SWITZERLAND, JULY 11-(AP)-SWISS OFFICIALS

ANNOUNCED TODAY THAT DEMANDS HAD BEEN MADE TO ITALIAN AUTHORITIES FOR AN EXPLANATION OF THE ITALIAN GOVERNMENT ORDER EXPELLING SWISS RESIDENTS FROM THE ITALIAN TYROL PROVINCE OF BOLZANO.

THE SWISS LEGATION IN AT ROME MADE THE DEMANDS. SOURCES

CLOSE TO THE SWISS FEDERAL COUNCIL CONFIRMED THAT SWISS, FRENCH, BRITISH AND NETHERLANDS RESIDENTS OF THE PROVINCE HAD BEEN ORDERED TO LEAVE WITHIN 48 HOURS.

OFFICIALS SAID DIPLOMATIC PRESSURE WOULD BE EXERTED

TO OBTAIN EXTENSION OF THE TIME LIMIT AND PROTECTION OF SWISS PROPERTY RIGHTS. APPROXIMATELY 250 SWISS ARE AFFECTED.

(ROME DISPATCHES SAID THE NETHERLANDS MINISTER ALSO

ASKED THE FOREIGN OFFICE TO EXPLAIN THE SUDDEN DECISION REQUIRING NETHERLANDS CITIZENS TO LEAVE BOLZANO.)

APL PARISES 2ND 950

-ES-537AED

Polish See Germans' False Hopes' Spiked

Warsaw, July 11 (AP)—The Polish House of Commons today declared an end to "false hopes" in Germany that Britain and Poland differed over Danzig.

ow," declared the influential Kurier Polski, "has talked so much in the language of Poland and shown such full knowledge of the Danzig problem." The pro-Government Kurjur Potany said Chamberlain left no doubt that London will consider Germany an aggressor in the case of an armed conflict between Germany and Poland.

DANZIG CRISIS EBETS CITY'S BUSINESSMEN

They Can't Plan Ahead Until Something Is Settled—Area Outwardly Serene

[By the Associated Press] Free City of Danzig, July 11—Most strangers visiting this old Hanseatic city this summer ask: "Where's all the fuss?" True, the naked eye and the untrained ear neither see nor hear signs of a crisis.

But visit the woods outside Danzig between 5 and 7 A. M., and you're likely to discover Storm Troopers drilling away in dead earnest. They are preparing themselves to defend Danzig from the Poles—if need be—until German troops can arrive. About 15,000 men had been trained and equipped by late June.

In addition to these, a steady stream of young Danzigers cross the border to East Prussia to do military service in the German Army. At least some of these could be called to help form the Danzig army.

In the so-called Corridor, around the western, southern and northwestern edges of the Free City, Polish troops are lying in wait prepared to prevent—if they can—any German attempt to walk off with Danzig.

A few questions to the man in the street reveal that inhabitants are well aware of the situation despite the sea breezes, sunshine and other outward signs of calm.

Businessmen especially do a lot of talking about eventual union with Germany. They want a showdown to come as swiftly as possible, because a change in the status of Danzig would mean altered business conditions. As it is now, they can't plan ahead.

merce Germany might even have to divert trade from Hamburg and other North Sea ports to keep Danzigers off relief.

POLAND no longer is directly dependent on Danzig for an outlet to the sea. Her new port of Gdynia, just up the coast, handles nearly half her foreign commerce, while Danzig retains less than a third. So neutral observers are inclined to think Poland values Danzig less for economic than for military reasons. The Poles admit they fear that the Nazis, if they got Danzig, would fortify the and thus shut Poland from the by rendering Gdynia helpless. Or, some think, German annexation of Danzig might be but the prelude to annexation of the Polish corridor.

The Story Behind It

[By the Associated Press] London, July 11—If Britain and France are called on to aid Poland against Germany, there'll be an urgent opening for a Napoleon on their general staffs. For it would take a miracle man, military experts here say, to figure out

Why They Want Danzig

[By the Associated Press] GERMANY wants Danzig mainly as a matter of prestige. Once the capital of East Prussia the Free City remains predominantly German in people and culture, and Adolf Hitler has proclaimed himself the protector of Germans everywhere. But economically Danzig would be of little use to Germany, except as the control of the mouth of the Vistula could be a lever to use on Poland. And if a Nazi Danzig should lose its job as handler of Polish com-

how the British and French could get to the battlefield in time to help.

Allies Seen Forced To Move Fast

Poland might be able to hold out, they speculate, a month or two. But that wouldn't give the allies much time, considering the "terrific obstacles" blocking any of several approaches they might attempt.

The trouble, of course, is that the great bulk of Germany, flanked by neutral nations, stands squarely in the most direct paths from west to east.

Observers Think Allies Wouldn't Begin Air Raids

The obvious way of getting at Germany would be by plane. But experts here feel that Britain and France, themselves vulnerable to bombing raids, wouldn't start anything in the air unless and until the Germans struck first.

PAN-SLAVIC UNION IN BALKANS TO FORE

Yugoslavia And Bulgaria Agree To Merge Trade And Foreign Policies

Belgrade Reported As Willing To Give Up 990 Square Miles To Sofia

[By the Associated Press] Sofia, July 11—Yugoslavia and Bulgaria tonight revived an old project for virtual union of Slavic peoples of the Balkans by forming a customs union between the two kingdoms and adopting a common foreign policy. Premier George Kiosseivanoff, who joined Prince Paul of Yugoslavia in

announcing formation of a "neutral front" last night, was reported reliably to have placed such a Pan-Slav program before the Bulgarian Cabinet on his return to Sofia.

Yugoslavia To Yield Territory

In addition to a mutual foreign policy and a customs union, the program was said to call for collaboration in developing foreign trade and for cession to Bulgaria of 990 square miles taken from her by Yugoslavia after the World War.

These far-reaching adjustments were reported to be under discussion by Yugoslav leaders with whom Keiosseivanoff consulted in Belgrade Sunday and Monday while returning from his state visit with Adolf Hitler in Berlin.

Axle Tieup Denied

Bulgarian political circles expressed certainty the Premier's Berlin trip had not committed Bulgaria outright to the Rome-Berlin axis. It was believed, however, that both Germany and Italy regarded favorably the new rapprochement between Bulgaria and Yugoslavia—whose joint territory stretches from German Austria to the Black Sea.

IMMEDIATE CABINET MEETING AFTER CONFERRING WITH KING BORIS.

THE CUSTOMS UNION AND BOUNDARY REVISION, IT WAS

SAID, WOULD STRENGTHEN THE TWO NEIGHBORS' RELATIONS IN MAIN-

TAINING THEIR "INDEPENDENCE AND NEUTRALITY." SUCH AN INTENTION

WAS ANNOUNCED IN A COMMUNIQUE ISSUED LAST NIGHT "IN THE BEST

INTERESTS OF BALKAN FREEDOM" AFTER KIOSSEIVANOFF CONFERRED WITH

REGENT PRINCE PAUL OF YUGOSLAVIA.

JUL 12 1939
REP 31900 BB326P

(YUGOSLAVIA, FORMERLY UNDER STRONG FRENCH INFLUENCE,

HAS BEEN WOODED IN RECENT YEARS BY GERMANY AS HAS BULGARIA WHO

WAS A WORLD WAR
AXIS ALLY OF THE CENTRAL POWERS.)

JUL 12 1939

BALKAN DIPLOMATS SPECULATED WHETHER CREATION OF A BULGARIAN-
YUGOSLAV BLOC WOULD SHATTER THE BALKAN ENTENTE IN WHICH YUGO-
SLAVIA HAS BEEN ALLIED WITH GREECE, TURKEY AND RUMANIA.

YUGOSLAV LEADERS CRITICIZED TURKEY THIS SPRING FOR SIGNING
A MUTUAL AID PACT WITH BRITAIN AFTER BRITAIN AND FRANCE HAD GIVEN
GUARANTEES TO TWO OTHER ENTENTE MEMBERS--RUMANIA AND GREECE.

PREMIER GEORGE KIOSSEIVANOFF, WHO RE-
TURNED HERE LATE TODAY FROM GERMANY AND YUGOSLAVIA, CALLED AN

BENES SEES U. S. **WORLD BULWARK** **OF DEMOCRACY**

Says 5-Month Visit Has
Clinched His Conviction
And Credits Press

Calls It Accurate And Ob-
jective, Giving Picture
Denied Europeans

(By the Associated Press)

Chicago, July 11—Dr. Eduard Benes, former President of Czecho-Slovakia, said today he was leaving for Europe's "dark, troubled skies" certain that democracy was secure in one country—the United States.

This, he said, was due largely to America's press, which he called "the best in the world—the most free, most informed and very objective."

Dr. Benes, with his wife and his nephew, Bohus Benes, sails tomorrow for London after a five-month visit, during which he lectured at the University of Chicago and made numerous speeches throughout the nation.

"Tremendously Impressed"

"I am tremendously impressed with this country's interest in democracy and in the widespread knowledge, alertness and understanding of the American people on world affairs," he said in a farewell interview.

THIS WOULD NOT BE THE FIRST TIME A CUSTOMS

UNION HAD BEEN DISCUSSED BETWEEN THE TWO SLAV NATIONS. IN 1905,

BULGARIA AND SERBIA, FORERUNNER OF PRESENT-DAY YUGOSLAVIA, SIGNED

A CUSTOMS UNION TREATY WHICH WAS RATIFIED BY THE BULGARIAN PAR-
LIAMENT.

JUL 12 1939

BUT AUSTRIA-HUNGARY, FEARING THE POSSIBLE
EFFECTS OF A STRONG UNION OF SLAVIC PEOPLES ON HER SOUTHERN
FRONTIER, COMPELLED THE SERBIAN PARLIAMENT TO REJECT THE PLAN.

THE TWO POWERS FOUGHT ON OPPOSITE SIDES IN THE
WORLD WAR, BULGARIA WITH GERMANY AND SERBIA WITH THE ALLIES.
WHEN YUGOSLAVIA WAS CREATED AFTER THE WAR IT WAS GIVEN 990
SQUARE MILES OF FORMER BULGARIAN TERRITORY.

"This I attribute largely to the American press. The American foreign correspondents are doing an excellent job in objective, accurate reporting, and especially is this true of those correspondents with the major news services."

"Bulwark Of Democracy"

Thus, he said, the American people get a perspective on world affairs that is denied Europeans, and the American people realize that democracy is on trial even if Europeans do not. Dr. Benes added that he was leaving more strongly convinced than ever that "America is the bulwark of democracy in the world today."

He said he was deeply impressed by and grateful for the understanding of his people's problems expressed by Americans.

"Won't Fight For Dictator"

"The Czecho-Slovak people will never fight for any dictatorial power, and in case of war will use every possible means to get their freedom again," he asserted.

As to their present morale under German domination:

"The Czechoslovak nation, as a whole, is living now in political slavery and in economic misery. The country is under military occupation. Many leaders have been imprisoned. But the people will never give up resistance until they are independent again. And there will be no peace in Europe if Czechoslovakia and all of Central Europe are not free again."

Dr. Benes intends to return as a visiting professor at the University of Chicago, probably the first of the year.

Benes Gets Permanent Post At University

Chicago, July 11 (AP)—The University of Chicago announced today Dr. Eduard Benes, former President of Czechoslovakia, has accepted a permanent appointment as professor on the university's faculty.

Dr. Benes, who will sail tomorrow for Europe, came to the university last February as a visiting professor under the Charles R. Walgreen Foundation for the Study of American Institutions.

Under the permanent appointment he will spend at least two quarters in residence at the university every other year. Service under the appointment will not begin before the autumn of 1940. He was expected to return to the United States some time next winter.

OVER BY THE BANK TO GERMANY WOULD FINANCE ABOUT \$468,000,000 WORTH OF ARMAMENTS.

REFERRING TO THE PAYMENT, LORD STRABOLGI SAID THE DUTCH PRESIDENT OF THE B.I.S. HAD NAZI SYMPATHIES AND DECLARED THE FRENCH HAD ATTEMPTED TO HALT THE TRANSFER BUT RECEIVED NO ASSISTANCE FROM THE BRITISH.

LORD TEMPLEMORE, REPLYING FOR THE GOVERNMENT, SAID THE FRENCH PROTEST WAS MADE AFTER THE TRANSFER AND THAT THE GENEVA BANK'S DIRECTORS HAVE NO RESPONSIBILITY TO THE BRITISH GOVERNMENT ANY WAY.

RECORDED
BY DENITT MACKENZIE

ASSOCIATED PRESS FOREIGN AFFAIRS WRITER

NEW YORK, JULY 11--BRITISH PREMIER CHAMBERLAIN FINALLY HAS LET THE ALL-BUT-SUFFOCATED CAT OUT OF THE BAG BY PINNING DOWN FOR THE FIRST TIME HOW FAR ENGLAND IS PREPARED TO GO IN FIGHTING FOR POLAND IN THE LATTER'S DISPUTE WITH GERMANY OVER DANZIG.

IN A HISTORIC STATEMENT BEFORE THE HOUSE OF COMMONS MR. CHAMBERLAIN DISMISSED THE IDEA, PREVAILING IN MANY QUARTERS, THAT IT WOULD TAKE GERMAN ANNEXATION OF DANZIG BY FORCE TO MAKE BRITAIN GO TO WAR.

THE PREMIER DECLARED IN EFFECT THAT BRITAIN WAS READY TO FIGHT FOR POLAND EVEN IF THERE WAS NO AGGRESSION BUT DANZIG QUIETLY VOTED HERSELF REINCORPORATED IN THE REICH.

THAT IS, ENGLAND WOULD FIGHT IF POLAND REGARDED THIS AS A THREAT TO HER INDEPENDENCE AND SAW FIT TO DEFEND HER POSITION WITH ARMS.

LONDON, JULY 11-(AP)--LORD STRABOLGI, LABOR PEER, ATTACKED THE BANK FOR INTERNATIONAL SETTLEMENTS IN THE HOUSE OF LORDS TODAY DECLARING THAT £10,000,000 (ABOUT \$46,800,000) OF CZECH GOLD TURNED

THIS STATEMENT HAD THE ADVANCE APPROVAL OF BOTH FRANCE AND POLAND. THAT MEANS FRANCE IS PREPARED TO FIGHT WITH ENGLAND ON THE GROUNDS SPECIFIED.

THE MAN WITH THE UMBRELLA, DIE-HARD EXPONENT OF APPEASMENT,

DEIN'T FORSAKE HIS SEARCH FOR PEACE EVEN IN THE MIDST OF THIS

BLUNT DECLARATION, FOR HE INTERJECTED:

"IT MAY BE THAT IN A CLEARER ATMOSPHERE POSSIBLE IMPROVEMENTS (IN THE STATUS OF DANZIG) COULD BE DISCUSSED."

AND FROM NAZI NEWSPAPERS IN GERMANY CAME THE REPLY THAT MAYBE NEGOTIATIONS MIGHT GET SOMEWHERE AFTER ALL.

WHETHER MR. CHAMBERLAIN'S STATEMENT WILL IMPROVE THE SITUATION REMAINS TO BE SEEN, BUT THERE CAN BE NO DOUBT THAT IT WILL CLEAR THE ATMOSPHERE. AT LAST EUROPE KNOWS, OR THINKS IT KNOWS, HOW FAR ENGLAND WILL GO.

MANY HAVE BEEN THE RINGING STATEMENTS MADE RECENTLY IN LONDON

AND PARIS, WARNING HERR HITLER THAT THE ANGLO-FRENCH BROTHERHOOD WOULD DEFEND POLISH INDEPENDENCE. BUT IN EVERY INSTANCE THERE HAS BEEN A VAGUENESS, STUDIED OR OTHERWISE, ABOUT WHO WOULD FIGHT OVER DANZIG, OR WHY.

GERMANY HAS TWITTED THE ALLIES WITH THIS, AND ASSERTED THAT NEITHER BRITAIN NOR FRANCE WOULD DO BATTLE OVER THIS ISSUE. NEWSPAPERS IN ENGLAND AND FRANCE HAVE URGED THAT AN OFFICIAL DECLARATION BE MADE TO CLEAR UP THIS UNCOMFORTABLE SITUATION.

A FEW DAYS AGO J.L.GARVIN, FAMOUS EDITOR OF THE LONDON SUNDAY OBSERVER, SAID OF THE DANZIG IMBROGLIO:

"IF BRITAIN SHIRKED THE FIRST TEST AND BILKED HER PLEDGES, NO ONE IN THE WORLD WOULD BELIEVE THAT WE HAD THE GUTS FOR ANY TEST. OUR NAME WOULD SMELL."

WELL, NOW WE HAVE THE ANSWER. BUT THAT DOESN'T EXPLAIN JUST WHY ALL THE HULLABALOO ABOUT DANZIG. WHY SHOULD EUROPE BE PREPARED TO GO TO WAR OVER THIS PLUMP BURGHER OF THE BALTIC? HERE IS THE EXPLANATION FROM THE VIEWPOINTS OF THE STATES INVOLVED:

GERMANY:--ASSERTS ITS DETERMINATION TO REUNITE TO THE FATHERLAND THIS FORMER GERMAN CITY WHOSE POPULATION IS VIRTUALLY ALL GERMAN AND WISHES TO RETURN TO THE REICH. HERR HITLER HAS DECLARED HIMSELF CHAMPION OF ALL GERMAN PEOPLES.

POLAND, ENGLAND AND FRANCE, HOWEVER, SAY THERE IS MUCH MORE TO IT THAN THIS. THEY CHARGE GERMANY WITH WANTING DANZIG BECAUSE OF ITS NAVAL AND MILITARY IMPORTANCE, AS WELL AS ITS ECONOMIC VALUE. THERE IS AN OLD SAYING THAT HE WHO CONTROLS DANZIG AND THE MOUTH OF THE VISTULA, RULES POLAND.

PREMIER CHAMBERLAIN IN DESCRIBING DANZIG'S IMPORTANCE TO POLAND ASSERTED THAT ANOTHER POWER ESTABLISHED THERE "COULD, IF IT SO

DESIRED, BLOCK POLAND'S ACCESS TO THE SEA AND SO EXERT AN ECONOMIC AND MILITARY STRANGLEHOLD UPON HER."

DANZIG ALSO WOULD BE OF IMMENSE STRATEGIC IMPORTANCE TO ANY NATION ENGAGED IN WAR WITH A BALTIC COUNTRY OR RUSSIA.

POLAND:--WISHES TO KEEP GERMANY OUT OF DANZIG FOR THE REASONS ENUMERATED ABOVE. ALSO, DANZIG PROVIDES A TRADE OUTLET FOR ALL THE RICHEST PORTION OF EASTERN EUROPE, INCLUDING POLAND. SHOULD POLAND BE CUT OFF FROM DANZIG, AND THE RECENTLY CREATED PORT OF GDYNIA NEARBY, THE NATION WOULD BE HARD HIT ECONOMICALLY.

ENGLAND AND FRANCE:--THEY WANT TO "HALT HITLER" IN HIS DRIVE TO ESTABLISH POLITICAL AND ECONOMIC HEGEMONY OVER CENTRAL AND EASTERN EUROPE AND THE BALKANS. THE INDEPENDENCE OF POLAND IS VITAL TO THIS PROGRAM.

TA710AED

FRANCO-BRITISH PLANES MAY FLY TO POLAND NEXT

Extension of Maneuvers Is
Considered in London
and Paris.

GERMAN PRESS SHOWS ANGER

England Adds 370 Millions to
Preparedness Chest—Will
Expand Publicity.

LONDON, July 12 (A. P.).—Great Britain and France, having entered cross-channel aerial maneuvers as part of a consolidation of their aerial might, were reported today to be considering flights to Poland and other allies.

The British press delightedly described yesterday's initial round-trip excursion of 200 royal air force bombers to French territory as a flawless performance and an important demonstration to the world of British-French solidarity.

The British flight will be followed by a return visit from French warplanes, with more or less regular shuttle trips to follow.

The London Daily Mail said that other British allies, chiefly Poland, would be taken into the scheme after details had been worked out.

French and British anti-aircraft forces were tied into the exercises, with reports to be exchanged on the theoretical results of their "fire" on each other's aircraft.

Preparing another splurge of British-French military unity, the French authorities completed arrangements for the participation of British planes, sailors, troops and service leaders, including Leslie Hore-Belisha, in the Bastille Day celebration on Friday.

Great Britain today added £79,105,000 (about \$370,211,400) to her 1939-40 expenses for preparedness.

The Government announced a supplementary estimate of that amount to meet the cost of army expansion, including the territorial army—which corresponds to the National Guard in the United

States—and for the recently launched conscription program.

This increase boosted defense appropriations—already Great Britain's largest since the world war and her greatest ever in peacetime—from £579,449,481 (about \$2,711,823,571) to £658,554,481 (about \$3,082,034,971).

Army expenditures alone for the current fiscal year are to be £227,261,100 (about \$1,063,781,948).

How Funds Are Apportioned.

Great Britain's defense appropriation is apportioned:

Army—£227,261,100.

Navy—£153,661,631 (about \$768,333,405).

Air—£220,626,700 (about \$1,063,781,948).

Defense—£57,000,000 (about \$266,760,000).

The new army funds are to be used for the Ministry of Supply, in maintaining the conscript forces and the territorial army. The latter recently has expanded by 238,621 men to an enrollment of 485,000 under the stimulus of an intensive recruiting drive.

Youths 20 years old undergoing compulsory military training will provide a conscript army of about 100,000 before December 31 and ultimately the number will reach 200,000.

War Secretary Hore-Belisha estimated last May that conscription would cost Great Britain £10,

500,000 (about \$49,140,000) this year in addition to £30,000,000 (about \$140,400,000) for accommodations and equipment, and would rise as new conscript classes were called up.

W. S. Morrison, Chancellor of the Duchy of Lancaster, told the House of Commons that Government and private reserves of most raw materials were more than adequate for three months consumption on a basis of estimated war requirements.

He said that remedies were being effected in the few cases where this is not so and that food stocks "wherever practicable, have been or are being brought to at least the standard mentioned."

Meanwhile, supplementary British budget estimates disclosed a plan to expand foreign publicity. The estimates called for \$110,000, or about \$414,000 for such work.

An additional \$40,000, approximately \$187,000, was set aside for the home office for establishment of a ministry of information to disseminate "accurate information and to counteract foreign misrepresentations of British policy."

Germans Angry Over Flight.

BERLIN, July 12 (A. P.).—The mass flight of British planes over France and French newspaper comment on the demonstration brought a flood of angry headlines in the Berlin press today. Adolf Hitler's newspaper Voelkischer Beobachter inquired: "Is acquaintanceship with the German air force desired?"

All the Berlin papers quoted the comment of the Paris Midi to the effect that the British planes had a radius of action which "could confront the populations of Nuernberg, Leipzig and Hamburg with eventualities which could be suited to inspire reason."

Voelkischer Beobachter's headlined response was: "Paris picks a fight." There followed this statement:

"The newspaper overlooks one trifle in its more than clumsy attempt at intimidation.

"The German air force which secured immortal fame for itself in bloody battles in Spain, which has

queried one international record another and stands today at the peak of all the air fleets of the world, has a radius of action of which these newspapers apparently still do not have the right idea."

The Boersenzeltung said Germany has the best anti-aircraft guns and "countless modern bombers, whose fighting power and radius of action surpasses considerably the corresponding capacities of the British and French air forces."

ULSTER TO BACK ENGLAND IN WAR

Craigavon Assails Dublin in Boyne Day Speech.

BANGOR, Northern Ireland, July 12 (A. P.).—Prime Minister Lord Craigavon said today that Northern Ireland had placed her whole resources at the disposal of Great Britain in the face of war dangers, and he declared that Northern Ireland was determined to avoid any link with the Government of Ireland (Eire), the former Irish Free State.

Lord Craigavon spoke at this County Down village's annual celebration of the Battle of the Boyne, in which King William III in 1690 defeated the army of King James II. Similar celebrations were held throughout Northern Ireland, with thousands of Orangemen parading to blaring bands.

"The Ulster government are aware of the possibility that if war

comes we in Ulster might have to defend our home front," Lord Craigavon said. "The government, however, have plans to meet this contingency."

Attacking the Dublin government—which governs all Ireland except six northern counties in Ulster—he declared that Northern Ireland is determined to resist Prime Minister De Valera's agitation for a United Ireland because "British civilization is the very breath of our life."

"Whilst there is a breath left in us we shall fight to maintain the Union Jack over Ulster," he said.

BRITAIN TO ADD \$370,211,400 TO ARMS BUDGET

Funds Needed For Expanding Army And Helping Two Balkan Allies

Air-Raid Evacuation Program Extended To Include London

[By the Associated Press]

London, July 12.—The Government asked Parliament today for more money to pay for Britain's expanding army and extended credits to help two Balkan allies arm.

Other steps in Britain's preparedness campaign included:

Disclosure that the Royal Air Force would make more extensive long-distance mass flights over Southern France and, possibly, over the Mediterranean near the Italian coast.

Revision of the ARP (air-raid precaution) evacuation plan to include large areas of London, not considered in the danger zone until now.

Announcement that stocks of essential raw materials were more than adequate to supply three months of wartime needs.

Army Fund Boosted

A supplementary estimate for the 1939-40 budget added £79,105,000 (about \$370,211,400) to the record army appropriation, raising it to £227,261,100 (about \$1,063,781,948) in what already was Britain's largest budget since the World War and her greatest ever in peacetime.

The increase boosted total defense appropriations from £379,449,401 (about \$2,711,823,571) to £658,554,481 (about \$3,082,034,971), divided:

Army—£227,261,100.

Admiralty—£153,666,681 (about \$768,333,405).

Air Force—£220,626,700 (about \$1,063,781,948).

Civilian Defense—£57,000,000 (about \$266,760,000).

To Help Conscript Army

The new funds will help supply the the new conscript army, which is expected to reach an enrollment of 100,000 20-year-old recruits before the end of the year, and the territorial army—corresponding to the United States National Guard—which has grown to 485,000 men.

Rumania and Greece were the first British allies to get credits under a new measure introduced last week providing £50,000,000 pounds (about \$234,000,000) in addition to £10,000,000 (about \$46,800,000) arranged for last February.

Rumania will get £5,500,000 (about \$25,740,000) and Greece, £2,409,000 (about \$11,000,000).

[Editor's Note—The British credits to Rumania and Greece take on added significance in view of the apparent formation of a "little axis" between Yugoslavia and Bulgaria which indicates the breakup of the four-nation Balkan Entente.]

Poles To Get Big Slice

Informed quarters expected Poland would get the largest slice of the new credits, possibly £20,000,000 (about

\$3,000,000), and that Turkey also would get some.

Credits previously granted Turkey and Rumania made the total Britain has made available to her allies £81,000,000 (\$379,000,000).

All four countries have received British and French pledges of aid in defense of their independence.

Yesterday's mass air force flights to France and return, regarded as a demonstration of Britain's aerial might as well as training for the flyers, will be tried on a larger scale next week, the Air Ministry said.

How many planes would participate was not disclosed, but officials mentioned the possibility of 300 pilots and 700 other crew members—about double the number in yesterday's flights.

Moscow Deal Pondered

The Cabinet considered the protracted Moscow negotiations for Soviet Russia's participation in the British-French mutual-assistance front, and Ivan Maisky, Soviet Ambassador to London, had a long talk with Lord Halifax, Foreign Secretary. The Ministers, in a two-hour meeting, were said to have drafted new instructions to be sent to Sir William Seeds, British Ambassador to Moscow, on points raised in his latest report.

A small, influential group of French deputies arrived in Paris with British members of Parliament on the situation in the Far East where, reports from China said, British-Japanese tension was increasing. The group included Marius Moutet, former Colonial Minister.

Reserves Adequate

W. S. Morrison, chancellor of the Duchy of Lancaster, told the House of Commons that Government and private reserves of raw materials were "more than adequate for three months consumption on a basis of estimated war requirements."

He said that "in the few cases where this is not so, remedies were being effected and food stocks "wherever practicable have been or are be-

ing brought to at least the standard mentioned."

Another official warned that Britain was prepared for any eventuality in Europe.

Robert Bernays, parliamentary secretary to the Ministry of Health, declared:

"We can face the future with confidence. Germany knows what stand and with us stand nations of the world..."

"The collective security of 1938. Its structure has been unpinned. Its pact has been shattered."

If the whole massed weight of Nazidom falls upon it, there will be no yielding."

western nations." Some foreign observers thought that accounts which have reached the outside of the planned repatriation of Germans

Rome Explains Tyrol Ousters

Il Duce Was Told Anti-Fascists Were Active—Two American Women Involved.

ROME, July 12 (A. P.).—The Italian Government disclosed today that Premier Mussolini himself had ordered all foreigners cleared out of Bolzano province as a political and military measure directed against anti-Fascism.

Two American women notified the American Embassy that they had received orders to leave Bolzano within forty-eight hours, but representations by Ambassador William Phillips brought a promise of every consideration in their case.

Dorothea Watts of Newport, R. I., maintained that to leave on such short notice would endanger her mother's health. Mr. Phillips discussed the case with Giuseppe Bastianini, acting Foreign Minister, who promised that the Americans would have additional time for their departure.

Other Americans in Tyrol.

Among Americans vacationing in Bolzano province were Graham H. Kemper, Consul-General at Rome, and his wife and the wife and child of Major Jack C. Hodgson, assistant military and air attache of the Rome Embassy. Presumably they also will be required to leave.

A communique said Il Duce, as Minister of the Interior, had ordered the expulsions from the northern frontier Tyrolean province which Italy gained from Austria in the world war.

It was said the action was taken in conjunction with the Ovra, Italy's Black Shirt organization for the suppression of anti-Fascism, because of "the activity of some elements from Western nations and residents in the province of Bolzano."

The announcement that military reasons were involved tended to support conjectures that the expulsions might be part of a drive against espionage. In Bolzano lies the famous Brenner Pass between Italy and Germany, which is of great military importance.

The Italian press, in cautioning the people against disclosing military and economic information, has accused anti-Fascists abroad of spying on Italy.

No Explanation Is Given.

There was no explanation of the activity imputed to "elements from

and Italian-Germans from South Tyrol might have motivated the expulsion order. The repatriation project has not yet been announced in the Italian press.

The OVRA is a secret organization charged with political investigations, which includes combatting all sorts of anti-Fascist activity, from talking too much in the wrong way to planning violence.

A communique said that foreigners might either leave Bolzano by crossing the border or by going to other parts of Italy.

Those who are sojourning temporarily in the province must leave immediately, the order said, but those resident in the Alto Adige,

as the Italians call the former Austrian Southern Tyrol, will have "a longer time" to wind up their affairs.

The communique said that representatives of France, Great Britain and Switzerland had called at the Foreign Office "not to bring protests, which would have been rejected, but to be informed on the situation."

It said the Under-Secretary for Foreign Affairs had given them the necessary information.

The American Case.

Dorothea Watts telegraphed Ambassador William Phillips that it would be detrimental to her mother's health if they were forced to leave Santa Cristina Gardena on such short notice. Her address in the United States was not given.

In the absence of Foreign Minister Count Galeazzo Ciano, Mr. Phillips arranged a conference with Acting Foreign Minister Giuseppe Bastianini.

This was the first case reported here of Americans being ordered to leave the province. Diplomatic circles were informed last night that all foreigners had been told to go and it was estimated that at least 1,000 were involved besides the 8,000 Germans who are to be repa-

triated and the 150,000 German-Italians who may choose between the two countries.

France Expels Italian.

PARIS, July 12 (A. P.).—France issued an expulsion order against the Paris correspondent of the Italian newspaper Il Popolo di Roma today while the French Ambassador in Rome again protested against an Italian order forcing French citizens to leave Bolzano province.

The correspondent, Concetto Pettilato, who has written a number of articles which officials said gave a false impression of France, was

ordered out shortly after the expulsion from Rome of a French newspaper correspondent, Robert Guyon of Le Journal of Paris.

Signor Pettilato had not left Paris at noon. He received an order early this morning asking him to leave as soon as possible.

The French envoy in Rome, Andre Francois-Poncet, went to the Foreign Office today for the second day in succession to protest against the order for foreigners to get out of Bolzano province.

He received what officials considered "partial satisfaction." They said there were about fifty French families living in the zone.

TYROL EVICTIONS ARE IN FULL SWING

Two Americans Among Foreigners Being Ousted From Homes Along Frontier

Grandi Shifted From Envoy Post At London To Become Justice Minister

[By the Associated Press]

Rome, July 12.—Compulsory departure of all foreigners from their homes and vacation residences in Bolzano, Italy's frontier province bordering on Germany at the strategic Brenner Pass, was in full swing today on order of Premier Mussolini himself.

A communique issued today, three days after the first expulsions were ordered, stated that "political and military" reasons prompted the move in a fight against anti-Fascism. The communique disclosed that Il Duce had signed the order as Minister of the Interior.

The announcement said the action

taken in connection with the Ovr, Italy's Black-Shirt organization for the suppression of anti-Fascism, because of "the activity of some elements from Western nations resident in the province of Bolzano."

Dino Grandi Shifted

At the same time the Government announced a Cabinet change which brings Count Dino Grandi from the key post of Ambassador to Britain back to Rome to become Minister of Justice. Foreign diplomatic circles were without any hint of the reason for Grandi's appointment other than a brief mention in the newspapers of his ability as a jurist.

No amplification of the communique on the foreigners' expulsion was given in the press or elsewhere, except for the statement of the authoritative *Giornale d'Italia* that the order resulted from "verification of the presence and activities of foreigners involved which do not reconcile themselves with the political and military necessities of the frontier territory."

Two Americans Evicted

Il Giornale said that "Great Britain has done much more," adding that Italy's action "does not signify total expulsion from Italy of foreign citizens forced to break off suddenly all their means of living and activity, but in most cases involves only the transfer of these citizens to other Italian regions not so near the frontier."

Foreigners ordered to leave the province included two Americans, Miss Dorothea Watts, of Newport, R. I., and her mother. William Phillips, United States Ambassador, made inquiries at the Foreign Office concerning the two women and was informed that, although there would be no exceptions and they must leave Bolzano, they would be accorded every consideration and facility.

Protested To Envoy

Miss Watts, who was at Santa Cristina Gardena, had telegraphed Phillips that it would be detrimental to her mother's health if they were forced to leave within forty-eight hours, as ordered.

Other Americans believed to be vacationing in the province included the Rome consul general, Graham H. Kemper, and his wife; Major Jack C. Hodgson, U. S. A., air attache at the embassy here, and his wife and child. It was assumed they also would have to leave the province.

Eight thousand Germans were reported to have three months in which to return to German territory by the new repatriation agreement between Rome and Berlin. An additional 150,000 German-Italians are to choose between

the two countries.

Others Ordered Out

Several hundred foreigners of other nationalities have been ordered out.

Grandi was called home to replace Arrigo Solmi, who has just resigned. The newspaper *La Tribuna* said of Grandi that he had always "given eminent service."

He was one of the original Fascists who took part in the march on Rome, serving then as chief of the Quadrumvirate general staff. Later he became Under Secretary for Home and Foreign Affairs and, from 1929 to 1932, Minister of Foreign Affairs. He has held the London post since 1932.

3 Names Mentioned

Three names are outstanding in Italian diplomatic circles as possible appointees to the key London post.

One is that of Giuseppe Bastianini, Under Secretary, who is acting as Foreign Minister during Count Galeazzo Ciano's absence in Spain.

Another is Count Leonardo Vitetti, director general of general affairs in the Foreign Ministry, whose socially prominent American wife, the former Natalie Coe, of New York, is a close friend of Countess Ciano, daughter of Premier Mussolini.

The third is Philippe Anfuso, chief private secretary to Count Ciano.

Alfieri Also Named

There was nothing to indicate, however, whether the choice might fall on one of those or on Dino Alfieri, Minister of Popular Culture, whose name has been mentioned in the past in connection with ambassadorial appointments.

In connection with Grandi's appointment, foreign diplomatic circles recalled that the British press had accused him of caustic attacks on democracies in a speech in London May 26 at the Italian Embassy at a reception celebrating signature of the military alliance between Italy and Germany.

At that time Grandi affirmed the Fascist doctrine of absolute obedience to Mussolini, who in the Fascist faith is always right. The Italian press said that this answered "absurd" rumors that Grandi lacked enthusiasm for the Italian-German alliance.

IL DUCE RECALLS GRANDI TO ROME

Envoy to London Will Be Minister of Justice.

ROME, July 12 (A. P.).—Count Dino Grandi, Italian Ambassador to Great Britain, has been called home to replace Arrigo Solmi, who

has just resigned as Minister of Justice.

The official announcement today gave no reason for the change. Count Grandi, one of the leaders of the Fascist march on Rome, had been Ambassador to London since July 20, 1932. Before taking the London post he was Parliamentary Deputy Vice-President of the old Chamber of Deputies, Under-Secretary of the Interior and Under-Secretary of Foreign Affairs and finally, from 1929 to 1932, Minister of Foreign Affairs.

He has represented Italy on various foreign missions, including those to the Washington and London debt conferences and at Locarno and The Hague. He also was the Italian delegate to the League of Nations and the London naval conference.

Count Grandi was considered Italy's No. 1 diplomat in the handling of difficult relations with Great Britain through the Ethiopian war sanctions (economic penalties) period and the subsequent Spanish civil war years. He is 44 years old.

Signor Solmi, 66 years old, had been Minister of Justice since 1935. He also has been Under-Secretary of Education and a member of the Chamber of Deputies. Both he and Count Grandi are members of the Fascist Grand Council.

There had long been rumors that Premier Mussolini planned to bring Count Grandi back from London

and reassign him to a Cabinet post. The Count is regarded in some Rome diplomatic circles as representing the leadership of a more

conservative element within Fascism, but what significance there might be in the shift was not at once apparent.

Departure Had Been Expected

LONDON, July 12 (A. P.).—The British Government received a diplomatic snub in connection with the summoning home of the Italian Ambassador, Count Dino Grandi, official circles disclosed today.

The first the Foreign Office heard of the recall was from a news association. No formal notification had been received up to tonight. It is very "unusual procedure," these circles said, for an Ambassador to be recalled without a formal note to the government to which he is accredited.

The departure of Count Grandi had been expected generally since May 24, when he condemned British-French foreign policy in a bitter speech at the Italian Embassy.

Charging that a "foolish and criminal campaign of lies" was being conducted in Great Britain and France against Italy and Germany, he scoffed at the "furious impotence" of the two Western powers.

Previously he had been noted for his good manners, and it was felt here that, unless he was planning

to leave London he would not have broken the tradition that an Ambassador should not criticize in public the policy of the government to which he is accredited. Count Grandi left England two weeks ago for his normal summer vacation.

THERE WAS NO INDICATION AS TO WHO WOULD SUCCEED GRANDI IN THE DIFFICULT LONDON POST.

THE OFFICIAL ANNOUNCEMENT SAID SOLMI HAD ASKED TO BE RELIEVED OF HIS CABINET POST "FOR PERSONAL REASONS." IT ADDED THAT MUSSOLINI HAD NOMINATED HIM FOR APPOINTMENT TO THE SENATE BY KING VITTORIO EMANUELE.

AT THE SAME TIME IL DUCE SENT SOLMI A LETTER OF THANKS FOR HIS WORK IN THE REVISION OF ITALY'S CIVIL CODE.

Reich Creation Of New Balkan Bloc Reported

Bulgaria, Yugoslavia and Hungary Are in 'Little Axis,' Sofia Press Hears

SOBIA, Bulgaria, July 12 (A. P.).—Newspapers in Sofia hinted tonight that Germany had sponsored formation of a new Balkan bloc by Bulgaria and Yugoslavia. The press comment coincided with reports in Belgrade, the Yugoslav capital, that plans for a virtual alliance between the two Slav nations were taking shape in apparent furtherance of a German project for a Yugoslav-Hungarian-Bulgarian "little axis."

An editorial in Sofia's influential daily "Outro" said: "The German Reich values highly the friendship between Yugoslavia and Bulgaria and considers them guardians of Balkan peace."

"Outro," whose editor accompanied Prime Minister George Kiosselevanoff of Bulgaria on his visit to Berlin last week, continued:

"No pressure whatever was exerted on Bulgaria by the rulers of the Reich. No document of any kind was signed in Berlin. All Germany wants from us is to strengthen our economic and cultural relations with her and to follow the policy we have followed up to now. As a result, Bulgaria can always depend on the friendship of Germany, which recognizes the justice of our claims (for war-lost territory). Bulgaria today is not alone."

Sources close to the government

said that "real results" were expected soon from the political and economic alliance which Kiosselevanoff outlined with Regent Prince Paul of Yugoslavia Monday. Kiosselevanoff's newspaper, "Dnass," in a special edition, hailed "a conference with Prince Paul in" wing terms.

Hungary is linked with the Rome-Berlin Powers in the anti-communism pact. Since 1936 Nazi leaders, including Field Marshal Herman Wilhelm Goering, have worked to bring Yugoslavia and Bulgaria together in a South Slav bloc under German influence.

declaring that "Bulgarian-Yugoslav friendship proves to be the happy foundation on which Balkan solidarity can be built."

"Real results" meant to many Bulgars at least one thing—cession of Macedonian territory which Yugoslavia acquired in a post-war settlement and to which Bulgaria never has renounced her claim. If Yugoslavia does this, Bulgarian circles said, she will furnish a potent example for Rumania and Greece, which hold former Bulgarian territory.

The virtual end of the Balkan entente of Yugoslavia, Greece, Turkey and Rumania was seen in the Yugoslav-Bulgarian negotiations. The Balkan entente pact, directed against Bulgaria, provides that no signatory may engage in political negotiations with her without the consent of the others. One reason is the Bulgarian demand for territorial revision—including return of war-lost Dobruja from Rumania and return of Thrace, with its Aegean Sea outlet, from Greece.

Prince Paul, regent of Yugoslavia, and Premier George Kiosselevanoff of Bulgaria, both of whom had visited Adolf Hitler in Berlin recently, joined Monday night in announcing the formation of a "neutral front" of the two countries "in the best interests of Balkan freedom."

In Bucharest it was pointed out that the neutrality of Bulgaria and Yugoslavia might mean that Rumania would be cut off in time of need from land routes to Turkey and Greece, which, like Rumania, have received British-French pledges of aid.

Outline of the Plan.

Today Bulgaria and Yugoslavia were said to have revived an old project for a virtual union of Slavic peoples of the Balkans. With Kiosselevanoff placing before his Cabinet a program which included:

1. A Bulgarian-Yugoslav customs union.
2. A common policy by the two nations in foreign affairs.

Balkan Little Axis Forming

Yugoslavia and Bulgaria Likely to Join Hungary in German Orbit.

BELGRADE, Yugoslavia, July 12 (A. P.).—Plans for a virtual alliance of Bulgaria and Yugoslavia took shape today in apparent furtherance of a German project for a "little axis" including those two Slav nations and Hungary.

The countries forming this projected "little axis" stretch 750 miles across southeastern Europe from the Alps to the Black Sea and have a combined population of nearly 32,000,000.

3. Collaboration in developing foreign trade.

4. Possible cession to Bulgaria of 990 square miles she lost to Yugoslavia after the world war.

From the German viewpoint a Yugoslav-Bulgarian-Hungarian bloc

could be a diplomatic weapon to threaten Turkey, Greece, or Rumania. The bloc might also serve to enable Germany to keep Italy in line should the Fascists show signs of weakening.

The virtual finish of the Balkan entente of Yugoslavia, Greece, Turkey and Rumania was seen in the fact that Yugoslavia is engaged in negotiations with the Bulgarian Government.

The Balkan entente pact was directed against Bulgaria and provides that no signer can engage in political negotiations with her without the consent of the others.

One reason was that Bulgaria demanded territorial revision—including the return of war lost Dobruja from Rumania and the return of Thrace, with its Aegean Sea outlet, from Greece.

A customs union between Bulgaria and Serbia, forerunner of present-day Yugoslavia, was negotiated in 1905 but rejected under pressure from Austria-Hungary.

Hemmed in between Nazis and Fascists through German absorption of Austria and Italian occupation of Albania, Yugoslavia has swung to her present relations with Bulgaria.

Both nations are in close economic relationship with Germany. So far this year, Germany has taken 75 per cent of Bulgaria's exports and about half of Yugoslavia's.

Danzig Nazi Leader On Way to Munich

FREE CITY OF DANZIG, July 12 (A. P.).—Albert Forster, Fuehrer of the Danzig Nazis, was on his way to Munich today.

The explanation here was that his chief purpose was to participate in a German art day at Munich this week end.

It was acknowledged, however, that he would meet Nazi party and Government leaders and that there would be opportunity for discussion of Danzig's differences with Poland.

HELD AS SLOVAK REBELS

10 Youths Seized For Spreading Anti-Government Literature

Bratislava, Slovakia, July 12 (A. P.).—Ten youths who police said described themselves as "Slovakian revolutionaries" were arrested today on charges of spreading anti-government literature by mail throughout Slovakia.

Gendarmes raided the secret headquarters of the youths, who ranged in age from 18 to 23 years, at Turan and confiscated their printing equipment.

REPORTS DANZIG GETS MORE ARMS

Polish Paper Says Flow of Munitions Is Continuous.

WARSAW, July 12 (A. P.).—The Polish press published new reports today of a flow of arms and munitions from Germany into Danzig. The movement was described as "continuous."

The newspaper Dziennik Powszechny asserted that "the only difference that can be noticed now is that the militarization of Danzig is proceeding more secretly than before."

Similar reports appeared several days ago.

In foreign circles the belief was expressed that these reports might be part of a Polish campaign to check any undue confidence which might result from the declaration on Monday by Prime Minister Chamberlain that Britain was ready to aid Poland if an attempt were made to seize Danzig.

The newspaper Goniec Warszawski, anti-Semitic organ of the National Democrats, said the Polish authorities had arrested the leaders of an organized group which had smuggled at least 3,000 Jews into Poland from the former Czechoslovak republic in recent months.

Says Czecho-Slovakia Will Be Free Very Soon

Dr. Benes Sails For England, But Will Return To U. S. In Few Months.

New York, July 12 (A. P.).—Dr. Eduard Benes, former President of Czecho-Slovakia, today sailed for England saying he believed "my country will soon be free again," and that he "never had any doubts" about the future development of the country.

Fifty Czechs greeted Dr. Benes when he boarded the liner Washington shortly before sailing time.

He said he was going only to England, and, in a few months, would return to the University of Chicago, where he is a lecturer.

LONDON, JULY 12-(AP)-THE BOARD OF TRADE ANNOUNCED TODAY THE GRANTING OF CREDITS OF MORE THAN \$36,000,000 TO GREECE AND RUMANIA FOR THE PURCHASE OF ARMAMENTS AND RAW MATERIALS IN GREAT BRITAIN.

A CREDIT OF £5,500,000 (ABOUT \$25,740,000) WAS GRANTED TO RUMANIA AND CREDITS OF £2,040,900 (ABOUT \$11,000,000) TO GREECE.

THIS WAS THE FIRST, ETC., SECOND GRAPH.

JUL 13 1939

DISCERN

THIS WAS THE FIRST MOVE OF THE GOVERNMENT TO EXTEND CREDITS TO BRITAIN'S ALLIES SINCE IT INTRODUCED A BILL IN PARLIAMENT LAST THURSDAY PROVIDING FOR A GOVERNMENT GUARANTEE FOR SUCH CREDITS UP TO £50,000,000 (\$234,000,000) IN ADDITION TO £10,000,000 (\$46,800,000) VOTED IN FEBRUARY.

POLAND, RUMANIA AND TURKEY ALSO ARE EXPECTED TO GET CREDITS TO HELP SPEED THEIR ARMAMENTS.

BRITAIN NOW HAS MADE AVAILABLE A TOTAL OF £81,000,000 (\$379,800,000) FOR HER ALLIES TO REARM THEMSELVES IN BRITISH MARKETS. LAST YEAR TURKEY WAS GIVEN CREDITS OF £16,000,000 (\$74,880,000) AND THIS YEAR RUMANIA RECEIVED £5,000,000 (\$23,400,000).

B1209PED

LONDON, JULY 12-(AP)-THE HOUSE OF COMMONS WAS TOLD TODAY THAT THE BRITISH GOVERNMENT "REPUDIATES" THE GENERAL CHARGES OF BRITISH ESPIONAGE WHICH HAVE APPEARED IN THE GERMAN PRESS RECENTLY.

LABORITE ARTHUR HENDERSON ASKED IF IT WAS NOT "EXTRAORDINARY THAT THE GERMAN GOVERNMENT SHOULD MAKE THESE STATEMENTS IN THEIR OFFICIAL PRESS WITHOUT MAKING OFFICIAL REPRESENTATIONS TO HIS MAJESTY'S GOVERNMENT."

FOREIGN UNDERSECRETARY RICHARD AUSTEN BUTLER REPLIED THAT "I THINK IT IS EXTRAORDINARY AND VERY MUCH TO BE REGRETTED." HE ADDED

THE GOVERNMENT "REPUDIATES" THE CHARGES.

(DEUTSCHER DIENST, SEMI-OFFICIAL GERMAN NEWS COMMENTARY, JULY ACCUSED BRITAIN OF ATTEMPTING "TO SPIN AS PERFECT AN ESPIONAGE NET AS POSSIBLE OVER ALL GERMANY" AND SAID THE BRITISH GOVERNMENT HAD EMPLOYED ESPIONAGE AGENTS IN CONSULATES AND PASSPORT OFFICES IN GERMANY.)

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Friends Service Groups Win Peace Awards

AMSTERDAM, July 12 (A. P.).—The Carnegie Foundation at The Hague today awarded the 18,000 guilders (\$9,540) Wateler peace prize to the American Friends Service Committee of Philadelphia and the London Friends Service Council for practical assistance to those suffering in various parts of the world.

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PHILADELPHIA, JULY 12-(AP)-THE AMERICAN FRIENDS SERVICE COMMITTEE WAS CITED TODAY FOR THE AID IT HAS GIVEN TO EUROPE'S REFUGEES.

THE COMMITTEE HEADQUARTERS HERE WAS ADVISED BY CABLE FROM THE HAGUE, NETHERLANDS, THAT IT WILL SHARE WITH THE FRIENDS SERVICE COUNCIL OF LONDON IN THE WATERLOO PEACE PRIZE FOR 1939, AMOUNTING TO 18,000 FLORINS, OR APPROXIMATELY \$9,558.

THE ANNOUNCEMENT SAID THE AWARD WAS FOR "VALUABLE SERVICES IN PROMOTING GOODWILL AMONG NATIONS BY INTERNATIONAL ORGANIZATION OF PRACTICAL ASSISTANCE TO THOSE WHO ARE SUFFERING IN VARIOUS PARTS OF THE WORLD."

THE COMMITTEE CONDUCTED RELIEF WORK IN SPAIN, WHERE IT HELPED FEED 750,000 REFUGEES, AND NOW IS DIRECTING THE PLACEMENT OF GERMAN REFUGEES IN THE UNITED STATES, MEXICO AND CUBA.

NQ1153PED NM

FIRST LEAD FORSTER-HITLER

FREE CITY OF DANZIG, JULY 13-(AP)-TELEPHONED
REPORTS FROM BERCHTESGADEN TONIGHT STATED THAT ADOLF HITLER CONFERRED FOR TWO HOURS DURING THE DAY WITH ALBERT FORSTER, NAZI DISTRICT LEADER OF DANZIG.

THE REPORTS SAID FORSTER EXPRESSED THE HOPE "TO SEE THE FUEHRER IN DANZIG SOON."

FORSTER REMAINED IN GERMANY TONIGHT AND DANZIG PARTY LEADERS MARKED TIME UNTIL THEY RECEIVED A COMPLETE REPORT FROM HIM.

THE NAZI-DOMINATED FREE CITY, MEANWHILE, WAS EXPRESSING ITS POLITICAL CONVICTIONS WITH FLOWERS. AR ZOPPOT, FASHIONABLE BEACH

POLITICAL CONVICTIONS WITH FLOWERS. ZOPPOT, FASHIONABLE BEACH COMMUNITY ON THE BALTIC SEA NEAR HERE, THERE WAS A FESTIVAL OF FLOWERS.

MERRYMAKING CITIZENS WHO CROWDED THE SUNNY STRAND THREW FLOWERS AT PERFECT STRANGERS IN A "BATTLE OF BLOSSOMS." CARDBOARD SWASTIKAS WERE ATTACHED TO SOME OF THE BOUQUETS.

ONE FLOWER-COVERED FLOAT BORE A SIGN READING "DANZIG WILL ALWAYS BE GERMAN."

ANOTHER BORE A FLOWER-TRIMMED BANNER WITH THE LEGEND "WE WANT OUR COLONIES BACK."

DANZIG NAZIS SAW NOTHING INCONSISTENT IN THE SLOGAN DESPITE THAT DANZIG NOMINALLY STILL WAS A FREE CITY.

(NO PICKUP)

JS-R752PED

LONDON, JULY 13-(AP)-SIR JOHN SIMON, CHANCELLOR OF THE EXCHEQUER,
TOLD PARLIAMENT TONIGHT THAT A NEW PUBLIC LOAN OF ABOUT £350,000,000 (ABOUT \$1,638,000,000) PROBABLY WOULD BE NECESSARY TO MEET BRITAIN'S MOUNTING ARMAMENT COSTS THIS YEAR.

SIR JOHN ESTIMATED THAT ARMAMENT FOR THE CURRENT YEAR WOULD COST £730,000,000 (ABOUT \$3,416,400,000) AS A RESULT OF NEW INCREASES IN THE 1939-40 BUDGET FOR THE AIR FORCE, SUPPLY MINISTRY AND THE ARMY.

HE SPOKE IN FINAL DEBATE ON THE BUDGET WHICH WAS PASSED ON THIRD READING AND SENT TO THE HOUSE OF LORDS.

A LABOR MOTION FOR REJECTION OF THE FINANCE BILL WAS DEFEATED BY A VOTE OF 206 TO 141.

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THE ORIGINAL BUDGET FIGURE FOR ALL GOVERNMENT EXPENSES WAS £1,320,000,000 (ABOUT \$6,177,600,000) BUT SUPPLEMENTARY ESTIMATES, INCLUDING THOSE FOR ARMAMENTS, ADDED IN ROUND FIGURES ANOTHER £150,000,000 (\$702,000,000).

SIR JOHN SAID:

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"THE SCHEME PRESENTED IN THE BUDGET WAS THAT £940,000,000 SHOULD BE OBTAINED FROM REVENUE AND £380,000,000 SHOULD BE OBTAINED FROM BORROWING. AT THE TIME WHEN I PRESENTED THESE FIGURES I HAD ASSUMED THAT THE TOTAL DEFENSE EXPENDITURE WOULD BE £580,000,000."

HE POINTED OUT, HOWEVER, THAT HE MENTIONED THE FIGURE MIGHT BE £639,000,000 OR MORE. THE PLANNED £380,000,000 TO BE BORROWED WILL NOW BE "NOT FAR SHORT OF £300,000,000," HE SAID.

OF THIS, SOME £150,000,000 CAN BE MET BY TREASURY BILLS BUT FOR THE REMAINDER, THE CHANCELLOR ANNOUNCED, "AT THE PROPER TIME IT WILL BE NECESSARY TO ASK THE GENERAL INVESTOR, GREAT AND SMALL, TO CONTRIBUTE ON A MOST ABUNDANTLY GENERAL SCALE TO A NEW DEFENSE LOAN."

"THE SUPPLEMENTARY ESTIMATES INVOLVE IN ROUND FIGURES," HE CONTINUED, "ADDITIONAL EXPENDITURE OF £80,000,000 FOR THE WAR OFFICE, £40,000,000 FOR THE AIR DEPARTMENT, AND £30,000,000 FOR THE FUTURE MINISTRY OF SUPPLY.

"THIS AMOUNTS ALTOGETHER TO £150,000,000. THE TOTAL EXPENDITURE ON DEFENSE FOR THE YEAR, WHICH I HAD TREATED AT AN EARLY STAGE AS BEING £580,000,000 AND WHICH I WARNED THE HOUSE MIGHT WELL TURN OUT TO BE £630,000,000, WILL, IN VIEW OF THESE FIGURES, BE £730,000,000.

"IT IS RIGHT TO ADD THAT THERE MAY BE SOME SUPPLEMENTARIES, NOT OF COURSE OF THAT SIZE, FOR THE MINISTRY OF HEALTH OR AIR RAID PRECAUTIONS."

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BERLIN, ^{July} 14 (FRIDAY) - (AP) - DNB, THE ~~GERMAN~~

GERMAN OFFICIAL NEWS AGENCY TOLD GERMANS FOR THE FIRST TIME TODAY OF THE "VOLUNTARY REPATRIATION" OF GERMANS IN ITALY'S SOUTH TYROL.

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THE INFORMATION WAS IN A SHARPLY-WORDED COMMUNIQUE DIRECTED AT THE NEWSPAPER LE TEMPS OF PARIS FOR "ATTEMPTING TO DRIVE A WEDGE IN THE GERMAN-ITALIAN RELATIONSHIP." THE AGENCY QUOTED THE FRENCH NEWSPAPER AS INQUIRING WHETHER ITALY SOUGHT ~~THE~~ REMOVAL OF GERMANS FROM THE SOUTH TYROL "TO PROTECT ITSELF AGAINST ANY POSSIBLE EXPANSION OF THE REICH AT ITS EXPENSE."

CALLING THE RETURN OF THE GERMANS "VOLUNTARY EMIGRATION," DNB SAID LE TEMPS WAS USING THE INCIDENT "AS

PART OF ITS PLANNED AGITATION AGAINST GERMAN-ITALIAN RELATIONS.

SECRET

(ITALY HAS ORDERED ALL FOREIGNERS TO LEAVE BOLZANO,

ITALY'S FRONTIER PROVINCE BORDERING ON GERMANY AT THE STRATEGIC

BRENNER PASS FOR "POLITICAL AND MILITARY REASONS." EIGHT

THOUSAND GERMANS WERE AMONG THOSE AFFECTED AND ANOTHER 150,000

ITALIAN-GERMANS HAVE BEEN GIVEN THREE MONTHS TO DECIDE BETWEEN

REMAINING OR ESTABLISHING HOMES ELSEWHERE.)

AFL HEINZ'S 00330 -EDB-1120PED

New Anti-Aircraft Guns Now Fully Ring London

By The Associated Press.

LONDON, July 13.—New anti-aircraft guns, aimed by an electric eye and capable of hurling fifty-six-pound shells seven miles at a rate of fifty a minute, now ring London, The Star, evening newspaper, declared today.

The newspaper said that every airplane coming near the city day or night is reported and "covered" by these guns as a practice manoeuvre.

The crew is fifty yards from its gun, The Star said, and spots a plane by a detector. A pointer tells the crew the correct elevation and automatically sets the shell fuse, taking into account the speed of the plane.

JEW'S MUST BATHE ALONE

Pilsen Police Put Ban On Mixed Use Of Public Pools

Prague, July 13 (P)—The police of Pilsen, famous brewing center, issued an order today forbidding Jews from bathing with non-Jews in public swimming pools. The order said special sections would be set apart for Jews.

This is the first case of official action to separate Jews and non-Jews in the protectorate of Bohemia-Moravia.

Insults Tricolor, Imprisoned

Tunis, Tunisia, July 13 (P)—An Italian, Mirmina Spatalucete, was sentenced to one year in prison and fined 500 francs (\$13.24) today for insulting the French flag during a military ceremony June 17.

King Zog Spent \$19,000 In 6 Days at Warsaw

WARSAW, July 13 (A. P.).—Exiled King Zog of Albania, Queen Geraldine and members of their suite left Warsaw today for Riga, Latvia, where they expect to stay a few days before sailing for Stockholm en route to London.

Warsaw newspapers estimated that Zog spent at least 100,000 zlotys (about \$19,000) during his six days stay at Warsaw. The former Albanian ruler, driven from his throne by Italy's Good Friday invasion, reached Poland from Turkey by way of Rumania.

Tells of Italian Order

Rome, July 13 (P).—Miss Barbara Rode of Chicago notified the United States Embassy here today that while she was touring at San Vigilio di Mareddo, in Bolzano Province, she was ordered by the police to leave and complied.

She was the first American tourist to report that she had been expelled from Bolzano. Her father is an agent for the International Harvester Company in Brussels, Belgium.

SLOVAKS LOSE PLEA TO BERLIN FOR GOLD JUL 14 1939 ich to Give Only 12 Per Cent of Former Bank Reserves

BRATISLAVA, Slovakia, July 13.—Germany was reported authoritatively today to have refused the demand of Slovakia, which is under German protection, for 20 per cent of the gold in the former National Bank of Czecho-Slovakia.

Berlin Government was said to be willing to give only 12 per cent to this country, which broke from Czecho-Slovakia when the mer republic was partitioned.

Germany, it was said, ordered that the gold be kept in Berlin because Bratislava was "not a safe enough place." The amount at issue is about 3,000,000,000 crowns, of which Slovakia asked 600,000,000. Germany offered less than 100,000,000.

The Czecho-Slovak crown was quoted at 3.4 cents in foreign exchange at the time of the nation's dissolution.

A Slovak delegation has been discussing the distribution of property of the former republic with Nazi experts in Berlin.

Three hundred wealthy citizens who were active in politics before the dismemberment of Czecho-Slovakia were ordered by the Slovak Government today to prove a legal source of their fortunes.

Their cases will be tried individually by Sano Mach, Propaganda Minister, acting as a special judge. An adverse decision would bring confiscation of property.

ITALIANS EXTEND AMERICANS' STAY JUL 14 1939 Miss Watts and Mother Not to Quit Bolzano Now.

ROME, July 13 (A. P.).—The United States embassy received word today that Italian police authorities had granted two American women an extension of time for leaving Bolzano province, from which all foreigners have been ordered. Ambassador William Phillips requested an extension yesterday for the women, Miss Dorothea Watts of Newport, R. I., and her

her, who had been told to leave in forty-eight hours. Miss Watts telegraphed from Santa Cristina Gardena today that it had been allowed.

The Ambassador had taken up the matter with the Foreign Office on the ground that enforced removal of Mrs. Watts would endanger her health.

Miss Watts's message did not specify the length of delay that had been granted. The extension was the first known to have been permitted in cases involving hundreds of British, French, Swiss, Netherlands and foreigners of other nationalities to leave the frontier province bordering on Germany at the strategic Brenner Pass.

The newspaper Il Messaggero indicated in an editorial that the Bolzano expulsions were an anti-spy measure. The paper said that it was a "reply to the insane policy of encirclement" and was intended to halt activities "whose development was easily foreseen if the Government had not intervened promptly."

"It was useless for nations which organized espionage on a vast scale to pretend astonishment," Il Messaggero said.

MAIL WAR ON REICH IS LAID TO HALIFAX

Hitler's Paper Charges Briton
With Sending Subversive
Letters To Germany

Claims Minister Is Trying To
Engender Defeatist Feel-
ing Among People

[By the Associated Press]

Berlin, July 13.—Lord Halifax, British Foreign Secretary, was accused today by Völkischer Beobachter, Adolf Hitler's newspaper, of attempting to undermine Germany through propaganda camouflaged as letters from private British individual.

The newspaper referred to letter Germans have been receiving from London recently signed by Commander Stephen King-Hall and which, it said, try "in a most stupid manner to engender a defeatist feeling among the German people."

"In view of the fact that a great many examples of this letter have been sent to Germany," Völkischer Beobachter continued, "we have made close inquiries in London regarding the real source."

Result Dumfounding

"The result has been dumfounding. Particularly well-informed sources have established that Herr Stephen King-Hall is not the private man which he pretends, but that he is in the services of the newly founded propaganda department of the Foreign Office . . . and that the English Foreign Minister, Lord Halifax not only knows personally about this letter but even sponsored its wording."

The same edition carried a six-column "answer to England" by Paul Joseph Goebbels, Propaganda Minister, in which he called English propaganda methods "ridiculous."

Counter-Action Hinted

Informed Berlin quarters hinted that some counter-action might be taken when German officials first showed interest in the letters July 6 after the Vienna edition of the Führer's newspaper had published a facsimile of part of one.

At that time, King-Hall said he had sent his letters, setting forth his own views on foreign affairs, as a private citizen and had received a considerable number of answers.

A retired naval officer and author of books on military, naval and political affairs, he is now editor of the K-H news letter service.

King-Hall Quoted

In one letter, King-Hall was quoted as having expressed doubt that the world could have peace if present German policies continued and as having predicted that Germany would be defeated if she went to war and would suffer a dictated peace "compared with which Versailles would be child's play."

"Your leaders—at least Ribbentrop, Goebbels and Himmler—are quite impossible persons," he was quoted. The reference was to Joachim von Ribbentrop, Foreign Minister, Propaganda Minister Goebbels and Heinrich Himmler, chief of all German police.

Lord Halifax's Part Denied By King-Hall

London, July 13 (P).—Commander Stephen King-Hall offered tonight to meet Paul Joseph Goebbels, German Propaganda Minister, to discuss "how best to arrange for an interchange of views between private German and British citizens if he is interested."

King-Hall repeated that he was merely "a private person" and added: "It follows that Lord Halifax and Sir Robert Vansittart (British diplomatic adviser) have nothing whatsoever to do with these private letters of mine to individual German citizens."

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LONDON, JULY 13-(AP)-DAVID LLOYD GEORGE, BRITAIN'S WARTIME PREMIER, TONIGHT ENDORSED THE BRITISH-FRENCH INDEPENDENCE GUARANTEE TO POLAND AS A BELATED DEFENSE OF THE VERSAILLES TREATY AND PREDICTED THAT "AS SOON AS THE AGGRESSORS REALIZE THEIR RUN OF EASY PROFIT IS AT AN END THEY WILL NOT FACE RISK."

"THE ALLURE OF DESPOTISM ALWAYS CEASES WHEN FAILURE APPEARS," LLOYD GEORGE TOLD A PILGRIMS DINNER HONORING THE MARQUESS OF LOTHIAN, AMBASSADOR-DESIGNATE TO THE UNITED STATES WHO HELPED DRAW UP THE VERSAILLES PACT.

"FORTUNATELY," HE ADDED, "FREE COUNTRIES NOW SEEM AT LAST TO BE AWAKENING FROM THEIR TORPOR AND SHAKING OFF FLABBINESS OF PURPOSE."

THE WHITE-HAIRED STATESMAN ACKNOWLEDGED THE VERSAILLES TREATY WAS "DRASTIC AND STERN," BUT DEFENDED IT AS NO MORE THAN THE OCCASION DEMANDED.

"DEMOCRATIC NATIONS ARE BEGINNING TO REALIZE THEY TOO READILY ACQUIESCED IN THE HITLER THESIS ABOUT VERSAILLES," HE ASSERTED.

"NOW THAT ANOTHER THE TREATY'S PROVISIONS ARE BEING THREATENED BY GERMANY--THAT ESTABLISHING THE INDEPENDENCE OF POLAND--AT LEAST BRITAIN AND FRANCE, AND I HOPE ALSO RUSSIA, HAVE MADE IT CLEAR THEY WILL OFFER THE UTMOST RESISTANCE TO ANY ESSENTIAL CHANGE MADE TO THE DETRIMENT OF THE POLISH PEOPLE."

LORD LOTHIAN TOLD THE AUDIENCE THAT HE HOPED TO INCREASE MUTUAL COMPREHENSION BETWEEN BRITAIN AND THE UNITED STATES WHICH "IS MUCH BETTER THAN IT USED TO BE BUT STILL BY NO MEANS IS ACHIEVED."

THE VISIT OF KING GEORGE VI AND QUEEN ELIZABETH TO THE UNITED STATES, HE DECLARED, EMPHASIZED TO AMERICANS THAT THE BRITISH EMPIRE NOW IS A "COMMONWEALTH OF SELF-GOVERNING NATIONS."

HE CONTENDED THAT THE UNITED STATES COULD NOT STAND ALOOF FROM WORLD PROBLEMS IN WHICH BRITAIN, BECAUSE OF HER NEARNESS, IS NECESSARILY IMMERSSED, AND THAT THE AMERICAN PUBLIC WAS OF THE SAME OPINION.

IT IS CERTAIN, LORD LOTHIAN DECLARED, THAT THE UNITED STATES WILL "HAVE A CONTRIBUTION OF ITS OWN TO THE SOLUTION OF THESE VAST PROBLEMS."

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UNITED STATES AMBASSADOR JOSEPH P. KENNEDY, NOTING THAT LORD LOTHIAN ALREADY HAS TRAVELED IN THE UNITED STATES, SAID "HE KNOWS ITS MANY DIFFERENT WALKS OF LIFE--HE UNDERSTANDS AND, I THINK, LIKES IT AND ITS PEOPLE."

LORD LOTHIAN'S KNOWLEDGE AND LIKING OF AMERICA WILL PROVE A GREAT ASSET NOT ONLY TO BRITAIN BUT THE UNITED STATES," KENNEDY PREDICTED.

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PARIS, JULY 13-(AP)-FRANCE WAS REPORTED TODAY TO BE CONSIDERING SENDING A HIGH-RANKING MILITARY PERSONALITY TO MOSCOW TO AID IN NEGOTIATIONS TO BRING SOVIET RUSSIA INTO THE BRITISH-FRENCH FRONT UNDER A MUTUAL ASSISTANCE PACT.

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ALTHOUGH SOME FRENCH SOURCES SAID THAT THE REPORT WAS "PREMATURE" THE NAMES OF GENERAL LOUIS COLSON, CHIEF OF THE ARMY GENERAL STAFF, AND GENERAL EDOUARD JEAN REQUIN, DIRECTOR OF THE FRENCH COLLEGE OF HIGH STUDIES OF NATIONAL DEFENSE, WERE MENTIONED. BOTH ARE MEMBERS OF THE FRENCH SUPERIOR WAR COUNCIL.

THE FRENCH GENERAL STAFF WAS KNOWN TO BE EAGER FOR CONCLUSION OF THE PROJECTED PACT TO BOLSTER THE MILITARY COMMITMENTS OF BRITAIN AND FRANCE IN EASTERN EUROPE.

RUSSIA WAS SAID TO DESIRE MILITARY CONTACTS WITH THE WESTERN POWERS PRELIMINARY TO THE PROPOSED ACCORD.

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PARIS, JULY 13-(AP)-LESLIE MORE-BELISHA, BRITISH WAR SECRETARY, ARRIVED BY PLANE FROM LONDON TODAY TO REVIEW FRANCE'S BASTILLE DAY PARADE TOMORROW.

BERCHTESGADEN, GERMANY, JULY 13-(AP)-GERMAN SPOKESMEN WERE INCLINED TONIGHT TO MINIMIZE THE IMPORTANCE OF THE TWO-HOUR CONFERENCE ADOLF HITLER HELD HERE TODAY WITH ALBERT FORSTER, DANZIG NAZI LEADER.

THE SPOKESMEN AT FIRST WERE RELUCTANT TO ACKNOWLEDGE THAT FORSTER WAS A GUEST OF THE FUEHRER. IT WAS TAKEN FOR GRANTED THAT RECENT DEVELOPMENTS IN THE FREE CITY WERE THE MAIN THEME OF THEIR TALK.

BOTH HITLER AND FORSTER ARE TO BE IN MUNICH TOMORROW FOR THE OPENING OF THE THIRD ANNUAL NAZI ART CELEBRATION AND WILL HAVE FURTHER OPPORTUNITIES TO DISCUSS DANZIG.

IT WAS RECALLED THAT THIS WAS THE SECOND INTERVIEW FORSTER HAS HAD IN THE LAST MONTH WITH TOP NAZIS. HE MADE A QUICK TRIP TO BERLIN JUNE 15 WHEN HE SAW FIELD MARSHAL HERMANN WILHELM GOERING.

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BERLIN, JULY 13-(AP)-VOELKISCHER BEOACHTER, ADOLF HITLER'S NEWS-PAPER, TODAY ACCUSED BRITISH FOREIGN SECRETARY LORD HALIFAX OF "SPONSORING" A LETTER SENT TO GERMANS WHICH NAZIS ASSERT WAS DESIGNED TO AROUSE THE GERMAN PEOPLE AGAINST THEIR LEADERS.

THE NEWSPAPER REFERRED TO A FORM LETTER WHICH GERMANS HAVE BEEN RECEIVING FROM LONDON RECENTLY OVER THE SIGNATURE OF COMMANDER STEPHEN KING-HALL. IT ASSERTED THESE LETTERS SOUGHT "IN A MOST STUPID MANNER TO ENGENDER A DEFEATIST FEELING AMONG THE GERMAN PEOPLE."

IT THEN SAID INQUIRIES IN LONDON INDUCTS A NEWS LETTER SERVICE--W/ "PAGANDA DEPARTMENT AND THAT 'TAX NOT ONLY KNOWS ABOUT 'G.'"

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SHOWN THAT KING-HALL--WHO IS SERVICE OF BRITAIN'S NEW SH FOREIGN MINISTER LORD ER BUT EVEN SPONSORED ITS

FREE CITY OF DANZIG, JULY 13-(AP)-DANZIG'S NAZI-DOMINATED GOVERNMENT APOLOGIZED TODAY FOR ARRESTING THE FIRST SECRETARY OF THE BRAZILIAN LEGATION IN WARSAW, JOAO RUY BARBOSA.

THE DANZIG SENATE'S DEPARTMENT OF FOREIGN AFFAIRS SENT A NOTE OF APOLOGY TO RAUL VACHIAS, BRAZILIAN CONSUL IN DANZIG, WHO HAD PROTESTED THE ARREST.

VACHIAS SAID THE NOTE, WHICH PROMISED THAT THE ARRESTING POLICEMEN WOULD BE DISCIPLINED, WAS FULLY SATISFACTORY.

BARBOSA AND JORGE X X X SECOND GRAF PREV.

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BARBOSA AND JORGE KIRSCHNER CABRAL, BRAZILIAN CONSUL IN GDYNIA, WERE TAKEN INTO CUSTODY BY A DANZIG POLICEMAN AS THEY WERE PHOTOGRAPHING OLD BUILDINGS ALONG THE SO-CALLED DEAD ARM OF THE VISTULA RIVER, WHERE SMALL SHIPS TIE UP.

BARBOSA PRODUCED DOCUMENTS OF IDENTIFICATION BUT HE CHARGED THAT HE AND THE GDYNIA CONSUL NEVERTHELESS WERE HANDLED ROUGHLY AND DETAINED AT THE POLICE STATION FOR SEVERAL HOURS.

BARBOSA'S ARREST WAS WITNESSED BY HIS AMERICAN WIFE, WHO JUST HAD DIS-EMBARKEED AT GDYNIA AFTER A VISIT TO HER HOME IN NEW YORK.

IN THE PROTEST TO THE SENATE, VACHIAS DESCRIBED THE INCIDENT AS " - 88' 24-1317) 049138743."

BARBOSA HAD MOTORED FROM VARSAN TO MEET HIS WIFE AT GDYNIA AND STOPPED IN DANZIG AT THE INVITATION OF VACHIAS. WHILE THEIR WIVES SAT IN AN AUTOMOBILE, BARBOSA PHOTOGRAPHED CABRAL BESIDE A BUILDING.

HE CHARGED THAT A POLICEMAN THEN FORCED THEM TO GO INTO A TAVERN FROM WHICH A POLICE PATROL WAS SUMMONED. THE BRAZILIANS WERE NOT PERMITTED TO GO TO THE POLICE STATION IN THEIR OWN CAR, HE SAID.

BARBOSA ASSERTED HIS FILM, WHEN DEVELOPED, SHOWED ALL PHOTOGRAPHS WERE OF AN INNOCENT NATURE.

THE BARBOSAS CUT SHORT THEIR STAY IN DANZIG TO GO TO VARSAN. VIKTOR BOETTCHER, THE FREE STATE'S COUNCILLOR FOR FOREIGN AFFAIRS, SAID THE CIRCUMSTANCES OF THE INCIDENT WERE BEING INVESTIGATED. (FOR FIGS 5TH PGN "X X INCIDENT AS "A DISGRACEFUL PROCEDURE.")

BARBOSA X X X ETC.)

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ROME, JULY 13-(AP)-ITALY'S DISPLEASURE THAT FRANCE CEDED TURKEY THE REPUBLIC OF HATAY AND JOINED TURKEY IN A MUTUAL ASSISTANCE PACT WAS EMPHASIZED TODAY WITH PUBLICATION OF AN ITALIAN PROTEST TO FRANCE. THE NOTE, SENT LAST MONDAY, WAS DESCRIBED BY VIRGINIO GAYDA, AUTHORITATIVE FASCIST EDITOR, AS A "PROTEST" AGAINST VIOLATIONS OF FRANCE'S MANDATE FOR THAT REGION OF THE NEAR EAST.

IT CHARGED THAT CESSION OF HATAY, THE FORMER SANJAK (STATE) OF ALEXANDRETTA, TO TURKEY WAS "IN OBVIOUS CONTRADICTION OF THE PURPOSES OF THE MANDATE" AND VIOLATED "THE WISH OF INTERESTED POPULATIONS."

THE NOTE EXPRESSED THE "FULLEST RESERVE ON THE CONTENTS OF THIS ACCORD" BY ITALY, ONE OF THE ALLIED POWERS WHICH CONFERRED THE MANDATE.

(FRANCE, WHICH STILL HOLDS MANDATES OVER SYRIA AND LEBANON, TURNED HATAY OVER TO TURKEY JUNE 23 IN RETURN FOR TURKEY'S PARTICIPATION IN THE BRITISH-FRENCH MUTUAL ASSISTANCE BLOC.

(THE TERRITORY COVERS ABOUT 10,000 SQUARE MILES AND HAS 220,000 INHABITANTS, ABOUT 40 PER CENT OF WHOM ARE TURKISH AND THE REST SYRIANS, TURKOMANS, KURDS, CIRCASSIANS, ARMENIANS, PERSIANS AND A FEW EUROPEANS.)

ITALY CHARGED THE ARRANGEMENT WAS MADE WITHOUT ITALY'S KNOWLEDGE OR CONSENT.

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ROME, JULY 13-(AP)-THE ITALIAN GOVERNMENT DISCLOSED TODAY IT HAD SENT A NOTE TO FRANCE OBJECTING TO FRANCE'S CESSION OF THE REPUBLIC OF HATAY TO TURKEY AS "IN OBVIOUS CONTRADICTION OF THE PURPOSES OF THE MANDATE" UNDER WHICH FRANCE ADMINISTERS THAT SECTION OF THE NEAR EAST.

(FRANCE CEDED HATAY, FORMERLY THE SANJAK, STATE, OF ALEXANDRETTE, TO TURKEY JUNE 23 IN RETURN FOR TURKISH PARTICIPATION IN THE BRITISH-FRENCH MUTUAL ASSISTANCE BLOC. THE TERRITORY COVERS ABOUT 10,000 SQUARE MILES AND HAS A POPULATION OF 220,000.

(IT WAS GOVERNED BY FRANCE UNDER A LEAGUE OF NATIONS MANDATE WHICH FRANCE STILL HOLDS OVER SYRIA AND LEBANON.)

THE ITALIAN NOTE, SENT TO PARIS JULY 10, ALSO ASSERTED THAT THE CESSION WAS CONTRARY TO "THE WISH OF INTERESTED POPULATIONS."

ITALY, AS ONE OF THE ALLIED POWERS WHICH CONFERRED THE MANDATE ON FRANCE, THEN EXPRESSED "FULLEST RESERVE ON THE COMMENTS OF THIS ACCORD" BETWEEN FRANCE AND TURKEY.

THE NOTE SAID THE ARRANGEMENT WAS NEGOTIATED AND CONCLUDED WITHOUT ITALY'S CONSENT OR KNOWLEDGE.

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FOLLOWING IS THE TEXT OF THE NOTE:

"THE ROYAL GOVERNMENT HAS LEARNED FROM THE PRESS OF AN AGREEMENT REACHED JUNE 23 BETWEEN THE FRENCH AND TURKISH GOVERNMENTS REGARDING CESSION OF THE SANJAK OF ALEXANDRETTE TO TURKEY.

"ITALY, IN ITS POSITION OF A MANDATING POWER, HAS THE HONOR TO EXPRESS COMPLETE AND FULLEST RESERVE ON THE CONTENTS OF SAID ACCORD, NEGOTIATED AND CONCLUDED WITHOUT ITS KNOWLEDGE AND CONSENT AND WHICH APPEARS IN OBVIOUS CONTRADICTION OF THE PURPOSES OF THE MANDATE AND

OF THE WISH OF INTERESTED POPULATIONS.

"SINCE THE PRESS ALSO HAS REPORTED SEVERAL DECLARATIONS WRITTEN AND VERBAL, MADE ON THAT OCCASION BY THE FRENCH GOVERNMENT AND THE MINISTER OF FOREIGN AFFAIRS OF FRANCE, THE ITALIAN GOVERNMENT FORMULATES THE SAME RESERVE REGARDING THOSE DECLARATIONS.

PRAGUE, JULY 14 - THE OFFICIAL CZECH PRESS BUREAU REPORTED TONIGHT THAT TELEPHONE LINES OF THE GERMAN ARMY IN THE NAZI PROTECTORATE OF BOHEMIA-MORAVIA HAD BEEN CUT FREQUENTLY AND IT SERVED NOTICE THAT THOSE CONVICTED OF SUCH ACTS WOULD BE PUNISHED SEVERELY.

IN SERIOUS CASES THE DEATH PENALTY COULD BE DECREED, THE PRESS BUREAU SAID.

THE CZECH MINISTRY OF INTERIOR, ASSERTING ANTI-NAZI MANIFESTATIONS DURING SHOWING OF GERMAN FILMS IN PRAGUE THEATERS HAVE BEEN INCREASING, ANNOUNCED THAT OFFICIALS WOULD BE STATIONED IN CINEMA HOUSES TO KEEP ORDER.

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WARSAW, JULY 13-(AP)-POLISH NEWSPAPERS REPORTED TODAY THAT 100 NEW GESTAPO (GERMAN SECRET POLICE) AGENTS HAD ARRIVED IN THE FREE CITY OF DANZIG FROM GERMANY.

THEY ALSO ASSERTED THAT A UNIFORMED POLISH POSTOFFICE OFFICIAL HAD BEEN SEVERELY BEATEN BY TWO NAZIS IN DANZIG.

A WARSAW CATHOLIC NEWS AGENCY SAID THAT RELIGIOUS INSTRUCTION IN DANZIG SCHOOLS, FORMERLY GIVEN FIVE HOURS A WEEK, HAD BEEN CUT TO ONE HOUR A WEEK AND THE OTHER FOUR HOURS DEVOTED TO THE STUDY OF NAZI IDEOLOGY AND BIOGRAPHIES OF NAZI LEADERS.

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30.24-2441

MOSCOW, JULY 13-(AP)-THE BRITISH AND FRENCH
AMBASSADORS TO MOSCOW TODAY RECEIVED NEW INSTRUCTIONS FROM
LONDON AND PARIS ON THE LONG-STALEMATED NEGOTIATIONS FOR A
BRITISH-FRENCH-SOVIET RUSSIAN MUTUAL ASSISTANCE PACT.

WAS CONSIDERED LIKELY TOMORROW
ANOTHER CONVERSATION AMONG PREMIER-FOREIGN

COMMISSAR VYACHESLAV MOLOTOFF, BRITISH AMBASSADOR SIR WILLIAM
SEEDS, SPECIAL BRITISH ENVOY WILLIAM STRANG AND FRENCH AMBASSADOR
PAUL EMILE NAGGIAR.

WERNERS APL 2335 -EDB-755PED

PRAGO 13-(AP)-THE OFFICIAL C

3 BUREAU REPORTED

TONIGHT THAT TELEPHONE LINES OF THE GERMAN ARMY IN THE NAZI PROTECTORATE
OF BOHEMIA-MORAVIA HAD BEEN CUT FREQUENTLY AND ~~REMOVED~~ SERVED NOTICE
THAT THOSE CONVICTED OF SUCH ACTS WOULD BE PUNISHED SEVERELY.

THE PRESS BUREAU SAID THE PENALTIES WOULD RUN FROM THREE MONTHS
TO 10 YEARS IMPRISONMENT AND THAT IN SERIOUS CASES THE DEATH PENALTY
COULD BE DECREED.

AT THE SAME TIME THE CZECH MINISTRY OF INTERIOR URGED THE PUBLIC
TO AVOID ANTI-NAZI MANIFESTATIONS DURING THE SHOWING OF GERMAN FILMS

IN PRAGUE THEATERS. SUCH DEMONSTRATIONS HAVE BEEN INCREASING LATELY,
IT WAS ANNOUNCED, WITH THE RESULT THAT OFFICIALS WILL BE STATIONED
IN CINEMA HOUSES TO KEEP ORDER.

JUL 14 1939

IF SHOULD FURTHER DEMONSTRATIONS OCCUR THE OFFICERS ARE
EMPOWERED TO ORDER THE AUDIENCE OUT OF THE BUILDING AND FORCE THE
MANAGER TO CLOSE THE THEATER FOR EIGHT DAYS.

SHANKES APL 2355 TV EB 947P

LONDON, JULY 13-(AP)-TWELVE THOUSAND OF BRITAIN'S 70,000 NAVAL
RESERVISTS AND 56 RESERVE SHIPS WILL JOIN THE FLEET DURING AUGUST
AND SEPTEMBER, CONSIDERED BY MANY A DANGER PERIOD FOR EUROPE.

PRIME MINISTER CHAMBERLAIN ANNOUNCED THE MOVE TODAY IN THE HOUSE
OF COMMONS. HE DISCLOSED THE RESERVES WOULD TAKE PART IN COMBINED
FLEET AND AIR MANEUVERS--THE MOST EXTENSIVE EVER CARRIED OUT IN
PEACETIME.

APART FROM THE MOBILIZATION OF THE FLEET DURING THE CZECHO-SLOVAK
CRISIS LAST SEPTEMBER THIS WILL BE THE FIRST TIME THE RESERVE
FLEET HAS TAKEN PART IN GENERAL MANEUVERS SINCE THE WORLD WAR.

ANOTHER GOVERNMENT STEP TO SPEED DEFENSE PREPARATIONS WAS A
REQUEST FOR AN ADDITIONAL £40,000,000 (ABOUT \$187,200,000) FOR THE
RAPIDLY EXPANDING AIR FORCE.

JUL 14 1939

JUL 14 1939

CHANCELLOR OF THE EXCHEQUER SIR JOHN SIMON TOLD PARLIAMENT TONIGHT A NEW PUBLIC LOAN OF ABOUT £350,000,000 (ABOUT \$1,638,000,000) PROBABLY WOULD BE NECESSARY TO MEET INCREASED ARMAMENT EXPENDITURE.

THE ORIGINAL BUDGET FIGURE FOR ALL GOVERNMENT EXPENSES FOR THE 1939 FISCAL YEAR WAS £1,320,000,000 (ABOUT \$6,177,600,000), HE SAID, BUT SUPPLEMENTARY ESTIMATES--FOR THE WAR OFFICE, THE AIR FORCE, AND THE FUTURE MINISTRY OF SUPPLY--ADDED ANOTHER £150,000,000 (ABOUT \$702,000,000.)

HE ESTIMATED THAT ARMAMENT FOR THE YEAR WOULD COST ABOUT £730,000,000 (ABOUT \$3,416,400,000). SIR JOHN SPOKE IN THE FINAL DEBATE ON THE BUDGET WHICH WAS PASSED ON THIRD READING AND SENT TO THE HOUSE OF LORDS.

(MORE) R6PED

LONDON--FIRS /ADD NIGHT LEAD BR (BUDGET) XXX HOUSE OF LORDS.

ALTHOUGH CHAMBERLAIN IN HIS RESERVIST ANNOUNCEMENT MADE NO REFERENCE TO THE EUROPEAN SITUATION, MEMBERS OF PARLIAMENT GENERALLY SAID THE ACTION UNDOUBTEDLY WAS ANOTHER DEMONSTRATION OF BRITAIN'S MIGHT FOR THE BENEFIT OF GERMANY.

THEY SAID IT WAS A COMPANION MOVE TO MASS FLIGHTS OF ROYAL AIR FORCE BOMBERS OVER FRANCE WHICH THE AIR MINISTRY STARTED EARLIER THIS WEEK TO GIVE PILOTS PRACTICE IN LONG-RANGE FLYING AND AT THE SAME TIME TO DISPLAY BRITAIN'S AIR POWER TO THE CONTINENT.

THE NAVAL RESERVES WILL REPORT FOR DUTY JULY 31 AND WILL TAKE PART IN A GIGANTIC REVIEW BEFORE KING GEORGE VI AUGUST 9 AT WEYMOUTH. ABOUT 130 VESSELS WILL PARTICIPATE.

SHORTLY AFTER THE REVIEW, 56 RESERVE SHIPS WILL JOIN THE FLEET FOR EXERCISES WHICH WILL CONTINUE UNTIL THE THIRD WEEK IN SEPTEMBER. RESERVISTS WILL RETURN HOME BY THE END OF THAT MONTH.

AUTHORITATIVE CIRCLES REGARDED IT AS SIGNIFICANT THAT THE RESERVES STILL WOULD BE ON DUTY AND THE HOME FLEET AT ITS FULL STRENGTH DURING THE NAZI PARTY CONGRESS STARTING SEPT. 2 IN NUERNBERG. THAT IS THE TIME MANY EUROPEAN OBSERVERS HAVE PICKED AS A DANGER PERIOD.

BY THAT TIME BRITAIN'S RAPIDLY EXPANDING LAND ARMY WILL HAVE REACHED NEARLY 750,000 MEN--THE LARGEST PEACETIME ARMY IN THE NATION'S HISTORY. THE FIRST 30,000 CONSCRIPT SOLDIERS ARE SCHEDULED TO REPORT THIS WEEK END.

ADMIRALTY SOURCES INDICATED THE FOLLOWING CLASSIFICATIONS OF RESERVE SHIPS WOULD BE COMMISSIONED FOR THE FALL EXERCISES:

ONE BATTLESHIP, ONE AIRCRAFT CARRIER, SIXTEEN CRUISERS, ONE MINELAYER, ONE DESTROYER DEPOT SHIP, 32 DESTROYERS AND FOUR SUBMARINES ALL ARE IN HOME PORTS AT PRESENT.

MEN TO BE CALLED UP INCLUDE ROYAL FLEET RESERVES AND PENSIONERS; ROYAL NAVY RESERVES (MEN DRAWN FROM THE MERCANTILE SERVICE); FLEET WIRELESS RESERVES; AND A NUMBER OF OFFICERS FROM THE RETIRED LIST.

THE ROYAL FLEET RESERVE IS COMPOSED OF MEN WHO HAVE SERVED SEVEN YEARS IN THE FLEET AND THEN DO FIVE YEARS ON RESERVE. THE PENSIONERS ARE MEN WHO HAVE COMPLETED 22 YEARS IN THE NAVY.

R608PED

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R608PED

30.24-2443

LONDON, JULY 13-(AP)-PRIME MINISTER CHAMBERLAIN ANNOUNCED TODAY THAT 12,000 OF THE NATION'S 70,000 NAVAL RESERVISTS WOULD BE CALLED TO THE COLORS FOR FLEET MANEUVERS--PART OF A PROGRAM TO MAKE BRITAIN READY FOR ANY EVENTUALITY DURING THE ANXIOUS PERIOD OF AUGUST AND SEPTEMBER.

HE TOLD THE HOUSE OF COMMONS THAT 12,000 RETIRED OFFICERS AND OTHER RESERVISTS WOULD REPORT FOR DUTY JULY 31 AND REMAIN ACTIVE UNTIL THE END OF SEPTEMBER, TAKING PART IN COMBINED NAVAL AND AIR FORCE WAR GAMES.

INFORMED QUARTERS REGARDED IT AS SIGNIFICANT THAT THE MANEUVERS WOULD BE IN PROGRESS AT THE TIME OF THE NAZI PARTY CONGRESS WHICH OPENS SEPT. 2 AT NUERNBERG. MANY EUROPEAN OBSERVERS HAVE PICKED THAT AS A DANGER PERIOD.

(IN BERLIN, THE STATEMENT WAS MADE IN INFORMED QUARTERS THAT BRITAIN'S ACTION REPRESENTED "NOTHING IMPRESSIVE FOR GERMANY." ONE GERMAN SOURCE SAID "WE, TOO, ARE EXERCISING OUR RESERVES.")

BRITAIN'S MOVE MARKS THE FIRST TIME SINCE THE CZECHO-SLOVAK CRISIS OF LAST SEPTEMBER THAT NAVAL RESERVISTS HAVE BEEN CALLED UP.

THE RESERVES WILL TAKE PART IN A VAST NAVAL DEMONSTRATION AUG. 9. KING GEORGE VI WILL REVIEW THE FLEET AT VEYMOUTH, WHERE ABOUT 130 SHIPS OF ALL SIZES WILL BE CONCENTRATED.

30.24-2443

THE NAVAL MOVE CAME AS THE AIR MINISTRY WAS ENGAGED IN A SERIES OF MASS BOMBER FLIGHTS OVER SOUTHERN FRANCE DESIGNED TO GIVE ROYAL AIR FORCE PILOTS PRACTICE IN LONG-RANGE FLYING AND AT THE SAME TIME TO DEMONSTRATE BRITAIN'S AIR POWER.

IT ALSO COINCIDED WITH THE ALLOCATION OF 200,000,000 (ABOUT 187,200,000) MORE FOR THE AIR FORCE.

BY THE TIME OF THE NUERNBERG CONGRESS, BRITAIN'S LAND ARMY WILL HAVE APPROACHED THE THREE-QUARTER-MILLION MARK AS A RESULT OF THE GROWING TERRITORIAL FORCE AND THE NEW CONSCRIPT ARMY, WHICH WILL BE LAUNCHED THIS WEEK END WHEN THE FIRST CONSCRIPTS REPORT FOR DUTY.

ABOUT 34,000 MEN--ALL IN THEIR 21ST YEAR--WILL REPORT DURING THE NEXT FEW DAYS. HUGE ARMY MANEUVERS ARE SCHEDULED TO BE HELD IN SEPTEMBER.

CHAMBERLAIN ALSO ANNOUNCED THAT WARSHIPS NOW IN RESERVE WOULD TAKE PART IN THE COMBINED FLEET AND AIR EXERCISES. THE RESERVISTS WILL ETC., AND GRAPH.

SVAD812127ED

14 1939

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(KDS: IN FIRST GRAF ABOVE READ NAVAL RESERVISTS, IN PLACE OF NAVAL PENSIONERS.)

THE RESERVISTS WILL BE REQUIRED TO JOIN THEIR STATIONS JULY 31, THE PRIME MINISTER SAID, AND THE MANEUVERS WILL BEGIN EARLY IN AUGUST AND LAST UNTIL THE THIRD WEEK IN SEPTEMBER. THE RESERVISTS WILL BE PERMITTED TO RETURN HOME AT THE END OF SEPTEMBER.

KING GEORGE WILL REVIEW VESSELS OF THE RESERVE FLEET IN WEYMOUTH BAY AUGUST 9.

CHAMBERLAIN'S STATEMENT FOLLOWED THE ANNOUNCEMENT THAT BRITAIN WOULD ALLOT AN ADDITIONAL £40,000,000 (ABOUT \$187,200,000) FOR HER RAPIDLY EXPANDING AIR FORCE THIS YEAR.

THIS SUM X X X SECOND GRAF PREVIOUS.

SV1044AED

THIS SUM WAS SET BY SUPPLEMENTARY ESTIMATES WHICH BROUGHT THE AIR FORCE TOTAL FOR 1939-40 TO £260,000,000 (ABOUT \$1,216,800,000).

CHAMBERLAIN TOLD A QUESTIONER HE BELIEVED ABOUT 130 SHIPS IN ALL WOULD TAKE PART IN THE WEYMOUTH REVIEW. HE GAVE COMMONS THIS EXPLANATION OF THE CALL FOR RESERVISTS:

"IN ORDER TO OBTAIN THE FULLEST POSSIBLE ADVANTAGE FROM COMBINED FLEET AND AIR EXERCISES IN AUGUST AND SEPTEMBER AND THEREBY ADVANCE THE DEGREE OF EFFICIENCY OF THE FLEET, ARRANGEMENTS ARE BEING MADE UNDER WHICH SHIPS NOW IN RESERVE WILL TAKE PART IN THE EXERCISES, FOR WHICH, AS ALREADY ANNOUNCED, VESSELS OF THE HOME FLEET ARE ALREADY BEING DETAILED."

THE ADMIRALTY ANNOUNCED JUNE 26 THAT SUMMER LEAVES FOR MEN OF THE HOME FLEET WERE BEING ADVANCED TO JULY, A MONTH AHEAD OF THE USUAL

TIME, "PREPARATORY TO THE CARRYING OUT OF EXERCISES IN AUGUST."

THE AIR COUNCIL EXPLAINED ETC. THIRD GRAF PREVIOUS.

SV1119AED

LONDON, JULY 13-(AP)--BRITAIN WILL ALLOT AN ADDITIONAL £40,000,000 (ABOUT \$187,200,000) FOR HER RAPIDLY EXPANDING AIR FORCE THIS YEAR, IT WAS ANNOUNCED TODAY.

THIS SUM, CONTAINED IN NEW SUPPLEMENTARY ESTIMATES, BROUGHT THE AIR ALLOCATE FOR THE YEAR TO £260,000,000 (ABOUT \$1,216,800,000).

THE AIR COUNCIL EXPLAINED THAT ONE REASON FOR THE SUPPLEMENTARY ESTIMATE WAS RAPID DELIVERY OF AIRCRAFT AND OTHER EQUIPMENT AND SUPPLIES, WHICH WERE BEING HANDED OVER SOONER THAN WAS EXPECTED WHEN THE ORIGINAL ESTIMATE WAS PREPARED.

AN INCREASE OF 32,000 IN PERSONNEL OF THE ROYAL AIRFORCE, FROM 118,000 TO 150,000, ALSO MADE MORE MONEY NECESSARY.

TODAY'S SUPPLEMENTARY ESTIMATES--THE THIRD NOTIFICATION THIS WEEK OF ADDITIONAL REARMAMENT EXPENDITURE--ALSO INCLUDED £144,000,000 (APPROXIMATELY \$673,920,000) FOR BRITAIN'S NEW SUPPLY MINISTRY.

OF THIS AMOUNT, £30,000,000 (\$140,400,000) WILL GO TO PURCHASE MUNITIONS, AND £12,600,000 (APPROXIMATELY \$58,968,000) FOR RAW MATERIALS AND RESERVE. THE NEW MINISTRY WILL EMPLOY A STAFF OF 6,918.

JN633AED

JUL 14 1939

30.24-2445

30.24-2445

THE FOLLOWING MAY BE INSERTED AFTER SIXTH GRAPH, LONDON, BUDGET APPROPRIATIONS, X X X STAFF OF 6,912.

ARMY APPROPRIATIONS WERE RAISED £79,105,000 (ABOUT \$370,211,400) YESTERDAY TO £227,261,100 (ABOUT \$1,063,751,945).

THE THREE INCREASES BOOSTED THE 1939-40 ARMS BUDGET -- BRITAIN'S LARGEST SINCE THE WORLD WAR AND HER LARGEST EVER IN PEACE -- TO A TOTAL OF £42,554,451 (ABOUT \$3,943,154,971).

THE FOREIGN ETC.

ED91AATD

THE FOREIGN OFFICE INSTRUCTED SIR WILLIAM SEEDS, AMBASSADOR IN MOSCOW, TO SEE PREMIER-FOREIGN COMMISSAR VYACHESLAV MOLOTOFF SOON IN A NEW EFFORT TO BRING SOVIET RUSSIA INTO THE BRITISH-FRENCH MUTUAL AID AGREEMENT.

OFFICIALS SAID A "FRESH COMMUNICATION" TO SIR WILLIAM CLARIFIED THE BRITISH VIEW ON WHAT CONSTITUTED "INDIRECT AGGRESSION" AND SEVERAL OTHER POINTS ON WHICH THERE HAS BEEN DISAGREEMENT.

ED44AED

Nazis Deny Leasing of Trieste

Story of Deal With Italy Is Called a Lie—
Goebbels Assails English Propaganda.

BERLIN, July 14 (A. P.).—Propaganda Minister Paul Joseph Goebbels set the entire German press to ridiculing the "pious hypocrisy" of British propaganda today and contributed a blistering essay of his own in which he said Germans were proud that some Englishmen hated Adolf Hitler. A report of the leasing of Trieste from Italy was called a lie.

The sudden outburst was occasioned by the recent arrival in Germany of letters signed by Commander Stephen King-Hall of London. The letters, it was said, were designed to give the German people a "defeatist attitude" and create disaffection for the Fuehrer.

Goebbels Welcomes Hate
Some newspapers devoted their entire first pages to a communique of DNB, the official news agency, and Goebbels' six-column "Answer to England." Both charged that King-Hall sent the letters under sponsorship of British Foreign Secretary Lord Halifax.

(King-Hall has insisted that his letters, addressed to a number of German individuals, set forth his own views on foreign affairs and were sent as a private citizen. He is a retired naval officer.)

"The Fuehrer has made the German nation great and powerful," Goebbels replied to King-Hall. "For that reason he is hated by Englishmen of your stamp from the depths of their hearts. We are only proud of that. This hate is not only extraordinarily honorable for the Fuehrer. It strengthens our love for him. For you, Herr Propaganda Probationer, can love only those Germans who are traitors to their nation."

Denies Trieste Report.

The Propaganda Minister said that "it depends entirely on England whether there is a war," adding: "We do not have the impression that England has such excellent chances to come off victoriously in such a war. Perhaps you do not

know it, but the German people is in a state in which it is determined to defend its national honor and existence to the last breath."

Meanwhile the German official news agency told Germans for the first time of the "voluntary repatriation" of Germans in Italy's south Tyrol. The information was in a sharply worded communique directed at the newspaper Le Temps of Paris, which it said "unravel stories of German troop movements on Italian soil, of limited cession of the harbor of Trieste to Germany" and other accounts that are "so many lies."

PMS IN

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ROME, JULY 14-(AP)—GERMAN-ITALIAN DISCUSSIONS WERE REPORTED TO BE UNDER WAY TODAY OVER AN ITALIAN OFFER OF PORT CONCESSIONS TO GERMANY AT TRIESTE IN RETURN FOR AN UNDERSTANDING THAT MORE GERMAN TRADE WOULD BE ROUTED THROUGH ITALY'S IMPORTANT ADRIATIC SEAPORT.

WHILE NO OFFICIAL ANNOUNCEMENT HAS BEEN MADE OF NEGOTIATIONS BETWEEN THE TWO NATIONS, PREMIER MUSSOLINI HAS DISCUSSED THE MATTER WITH TRIESTE OFFICIALS WHO SAID IL DUCE WAS "PARTICULARLY INTERESTED IN THE SITUATION CONCERNING TRIESTE'S PORT TRAFFIC."

X 47.5

TRIESTE, THE FORMER AUSTRIAN PORT WHICH ITALY GAINED AFTER THE WORLD WAR, HAS SUFFERED FROM GERMANY'S OCCUPATION OF AUSTRIA AND CZECHOSLOVAKIA. TRADE FROM THOSE TWO FORMERLY INDEPENDENT NATIONS HAS BEEN DIVERTED FROM THE ADRIATIC PORT TO HAMBURG AND BREMEN.

THERE HAS BEEN TALK IN THE PAST OF MAKING TRIESTE A FREE PORT FOR GERMAN TRADE, BUT THAT PROPOSAL IS UNDERSTOOD TO HAVE MET OBJECTIONS FROM VENICE WHICH FEARED ITS OWN COMMERCE MIGHT BE AFFECTED SERIOUSLY.

P530PED

ROME, FIRST ADD TRIESTE XXX AFFECTED SERIOUSLY.

CURRENT DISCUSSIONS WERE SAID TO REVOLVE AROUND AN ITALIAN OFFER OF PORT CONCESSIONS IF GERMANY WOULD AGREE TO RETURN A PROFITABLE AMOUNT OF TRADE FROM AUSTRIA AND FORMER CZECHO-SLOVAKIA TO TRIESTE IN AN EFFORT TO REVIVE THE PORT WHICH WAS PRE-WAR AUSTRIA'S MAIN SHIPPING CENTER.

ITALY FORMERLY GAVE CZECHO-SLOVAKIA PREFERENTIAL RAILROAD AND STEAMSHIP CARGO RATES AS WELL AS PORT CHARGES TO ATTRACT HER TRADE.

GERMANY WAS SAID BY TRADE EXPERTS TO HAVE CANCELLED ORDERS OF CZECHO-SLOVAK METAL AND TEXTILE INDUSTRIES IN THE NEAR EAST WHICH WOULD HAVE COME THROUGH TRIESTE.

FIGURES FOR TRIESTE TRAFFIC THIS YEAR ARE NOT AVAILABLE, BUT IN 1938 THE PORT WAS REPORTED TO HAVE LOST 500,000 TONS OF LUMBER TRADE AND 200,000 TONS OF WOOD PULP TRADE FROM AUSTRIA. SINCE ANSCHLUSS GERMANY HAS BOUGHT UP MUCH AUSTRIAN WOOD AND ITS PRODUCTS FOR DOMESTIC USE.

ITALIAN SHIPBUILDERS WHO PREVIOUSLY PURCHASED CZECHO-SLOVAK STEEL ALSO WERE SAID TO HAVE BEEN AFFECTED BY GERMAN EXPANSION.

P738PED

HITLER'S EYE STILL FIXED UPON DANZIG

Go-Ahead Determination Is
Reported Result Of Talk

With Förster

Free City's Return To Reich
Termed "Only Solution
Acceptable"

[By the Associated Press]
Munich, July 14—Danzig's return to the Reich "now, as before, is the only solution acceptable to Germany," quarters close to the Nazi Government said tonight after the Free City's district leader, Albert Förster, had spent last night and most of today with Führer Hitler at Berchtesgaden.

A determination to forge ahead, it was indicated, was the result of the talks between Hitler and the man who carries out his instructions in Danzig. There were no signs, however, as to when or how a move may be made to

bring the Danzig Germans into the Reich.

Secrecy Attempted

Officials tried to keep secret the visit of Förster to Berghof, Hitler's home above Berchtesgaden. At first they would not admit that Förster had seen Hitler. Later, they said Förster had come to Munich with other Nazi district leaders to attend the annual festival of German art.

Informed quarters said Hitler had not changed his mind on Danzig, which he declared April 28 must return to the Reich. This was a reply in part to a question as to what Hitler has been thinking during the recent

period of comparative German official silence. This has coincided with much discussion in Warsaw, London and Paris of the dangers of a Nazi coup in Danzig which the Nazi press has branded "provocative."

At Mountain-Top Home

Hitler has been at his mountain-top home and other leaders have been on vacation, giving the impression that Nazi Germany was certain it would attain its objective in its own good time.

Hitler, who tonight was host to guests attending the German art celebration after motoring from Berchtesgaden with Förster, is to speak Sunday at the formal opening of the art exhibit. But informed quarters said

the major part of his address would be confined to artistic subjects.

He is expected to remain silent on Poland until he makes a speech at Tannenberg, in East Prussia near the Polish border, August 27, where twenty-five years ago Field Marshal Paul von Hindenburg, later President, won one of Germany's greatest World War victories over the Russians. After that Hitler's next speeches will probably be those at the Nazi Party Congress which opens September 2 at Nürnberg.

THE REICH PRESS CHIEF, OTTO DIETRICH, WHO IS

CONSTANTLY WITH THE FUEHRER, SPOKE AT AN ART RECEPTION HERE

TODAY IN DERISIVE TERMS OF FRANCE'S CELEBRATION OF

BASTILLE DAY.

"IT APPEARS," HE SAID, "AS A SYMBOL THAT OPENING DAY

OF THIS FESTIVAL OF ART FREEDOM COINCIDES WITH THE OPENING DAY

OF THE LIBERAL REVOLUTION BY THE TAKING OF THE BASTILLE 150

YEARS AGO.

"THIS REVOLUTION WRITES THE WORD FREEDOM IN ITS

BANNERS BUT ACTUALLY IT STRANGLERED FREEDOM IN PERMITTING BOUNDLESS

30.24-2447

INDIVIDUALISM, THE "DYING IDEAS" OF LIBERALISM ARE IDEAS ON WHICH PEOPLE DIE."

THE IDEAS OF FREEDOM OF 1789, HE DECLARED, WERE SHATTERED IN GERMANY, WHICH HAS "ERECTED A MONUMENT OF THE TRUE FREEDOM."

JUL 15 1939

A DELEGATION OF GERMAN WAR VETERANS LIVING IN CHICAGO ARRIVED TODAY ON THE LINER BREMEN TO PARTICIPATE IN THE 25TH ANNIVERSARY OF THE BATTLE OF TANNENBERG.

WHITELS SEVENTH 1825..HTM..244P

Shipments to Danzig Drop

DANZIG, July 14 (AP).—Shippers reported today that Polish exports of peas and beans, normally considerable through this port, had stopped. It was said Poland was saving them for a food reserve.

Harbor officials said shipments of Rumanian wheat for Germany no longer were coming through Poland by rail for transfer to ships here. They attributed this to uncertainty of rail transport across Poland. The shipments are moving by a more expensive route by way of Vienna and Bratislava.

Danzig authorities said these developments had further reduced revenues of their harbor, and Nazis seized upon the circumstances as another argument for political union of the Free City with Germany.

Danzig Nazi Leader Still Hitler's Guest

Munich, July 14 (AP).—Danzig's importance to Adolf Hitler was emphasized today when it became known that the Führer had kept Albert Forster, Danzig Nazi district leader, overnight at Berghof, his Obersalzberg home, near Berchtesgaden. Forster arrived at Berghof yesterday. Since then they have had plenty of opportunity to discuss when and how the Free City is to return to Germany—as Nazis say it will.

Observers recalled that Konrad Henlein, then leader of Czecho-Slovakia's Sudeten Germans who were agitating for union with Germany, visited Berghof last September 1 and that soon thereafter the intensive Nazi drive against Czecho-Slovakia got under way.

The German leader and his key man in Danzig were understood to plan to motor from Berchtesgaden to Munich today to attend a celebration of German art which the Führer will open formally Sunday.

Hitler tonight will give a reception to guests among whom is Dino Alfieri, Italian Minister of Popular Culture.

Meanwhile Adolph Wagner, district leader for Bavaria, declared in a speech at a German museum that in "the past 300 years Germany has sacrificed 24,000,000 lives to protect its lebensraum (living space)" while other nations were building empires.

"We are ready to defend what belongs to us—the Ostmark (Austria), Sudetenland, Bohemia, Moravia and Danzig," he said.

Martial Law In Czech City Of Kladno Lifted

Nazis Halt Reprisals Resulting From Killing Of German Police Sergeant

Prague, July 14 (AP).—Emergency measures which put the city of Kladno virtually under martial law six weeks ago after the slaying of a German police sergeant were lifted today, although the case still remained a mystery.

Life returned to normal in the little industrial center with the lifting of the 10 P. M. curfew and reopening of theaters and inns.

Czechs expected 300 persons still detained for questioning would be released soon.

The stern measures were clamped down on Kladno by Konstantin von Neurath, Reichs Protector, in retaliation for the killing of Wilhelm Kniest, German police sergeant, June 7.

Italians Say Britain Has "War Psychosis"

Rome, July 14 (AP).—Britain's call upon 12,000 naval reservists for service during August and September was viewed by the Italian press today as fresh evidence of "war psychosis."

Il Popolo di Roma, which applied these words to the move, said the British press was attempting to convince the public that "British armament is invincible" and that thanks to British financial resources "every enemy can already be considered beaten in the armament race which precedes battle."

Il Messaggero said the British press, in emphasizing the "intimidatory character" of naval measures, was duplicating the publicity given the British Air Force flight over France on Wednesday.

French Recognition Of Slovakia Reported

Bratislava Claims De Facto Acknowledgment Followed Permit To Paris Consul

Bratislava, July 14 (AP).—The Government of Slovakia tonight announced it had received de facto recognition from France on the eve of putting into effect a rule which would have halted activity by the French consular representative in Bratislava.

The rule forbids officials of foreign nations which have not recognized Slovakia from carrying out assignments within the country after tomorrow.

Franco Says He'll Fight Only for 'Vital Interests'

Expects Spain To Be Neutral, but Sees No Cause for War

LISBON, July 14 (AP).—Generalissimo Francisco Franco said in an interview published in the newspaper "Diario de Noticias" today that Spain would remain neutral in the event of war—"if her territory, honor and vital interests are not affected."

The Nationalist leader said Spain did not want war but did not fear it, adding: "I refuse to believe there will be war; I cannot find one question which may not be settled by diplomatic, pacific means. 'Danzig is not worth a war.' Poland could gain nothing by war. If the (Berlin-Rome) axis wins, she is annihilated; if the allies win, Russia would never forget her old possessions. In any case, war would be fatal for Poland." Franco declared the new Spanish regime was "neither Italian nor German."

BRATISLAVA, SLOVAKIA, JULY 14-(AP).—THE SLOVAK

GOVERNMENT TODAY BANNED FROM THE COUNTRY TWO CZECH LANGUAGE

NEWSPAPERS PRINTED IN THE UNITED STATES.

THEY WERE PRAYING FOR SLOVAKIA, WHICH WHICH

FORMER PRESIDENT EDUARD BENES OF CZECHO-SLOVAKIA WAS REPORTED TO

BE CONNECTED, AND THE NEWSPAPER HLAS, WHICH IS PUBLISHED IN ST. LOUIS.

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A69 (NYC OUT)

BY DEVITT MACKENZIE

ASSOCIATED PRESS FOREIGN AFFAIRS WRITER

NEW YORK, JULY 14--GERMANY WILL HAVE PULLED A PRETTY FEATHER OUT OF THE BALKANS FOR ITS BONNET IF APPARENTLY SMOOTHLY RUNNING PLANS FULFILL PREDICTIONS AND PRODUCE A GERMAN-DOMINATED "LITTLE AXIS" COMPRISING BULGARIA, YUGOSLAVIA AND HUNGARY. 30.29

SUCH AN ALLIANCE WOULD REPRESENT A COUP OF GREAT IMPORTANCE IN THE STRUGGLE WITH THE ANGLO-FRENCH ALLIES FOR CONTROL OF THAT WAR-SCARRED PENINSULA WHICH PRECIPITATED THE WORLD WAR AND THUS SUSTAINED ITS AGE-OLD REPUTATION AS THE COCK-PIE OF EASTERN EUROPE.

ALL IN ALL A HOOK-UP OF HUNGARY, YUGOSLAVIA AND BULGARIA PRESENTS A GOLD-MINE OF MILITARY, POLITICAL AND ECONOMIC POTENTIALITIES. IF IT BECOMES AN ACCOMPLISHED FACT IT IS BOUND TO PLAY A VITAL PART IN THE ULTIMATE SOLUTION OF THE CLASH BETWEEN THE ROME-BERLIN AXIS AND THE BRITISH-FRENCH COMBINE. JUL 15 1939

AT THIS JUNCTURE OF THE EUROPEAN SITUATION THE MILITARY ASPECT OF THIS PROJECTED ALLIANCE IS NATURALLY OF GREAT IMPORTANCE. IN THE FIRST PLACE, YUGOSLAVIA AND BULGARIA TAKEN TOGETHER FORM A SOLID BARRIER ACROSS THE PENINSULA, FROM THE ADRIATIC TO THE BLACK SEA.

THIS MEANS A LAND-WEDGE BETWEEN THE TWO GROUPS OF COUNTRIES RECENTLY TAKEN UNDER THE PROTECTION OF FRANCE AND ENGLAND. THAT IS, POLAND AND RUMANIA ON THE NORTH AND TURKEY AND GREECE ON THE SOUTH. THE BLACK SEA STILL FORMS A WATER-LINK OF PROBLEMATICAL VALUE.

THEY SAY THAT YUGOSLAVIA AND BULGARIA WOULD BE NEUTRAL IN EVENT OF WAR. BE THAT AS MAY, THEY STILL WOULD DIVIDE THE ANGLO-FRENCH PROTECTED COUNTRIES, AND THIS OF COURSE IS ONE OF GERMANY'S

PRIMARY IDEAS.

IF THE NEW LITTLE AXIS BE REGARDED AS A POTENTIAL PART OF A WAR MACHINE, THEN WE HAVE ANOTHER PICTURE. THE THREE COUNTRIES HAVE A COMBINED POPULATION OF SOME 32,000,000.

YUGOSLAVIA'S ACTIVE ARMY IS 166,000 AND ITS TRAINED RESERVES 1,690,000--A TOTAL OF 1,856,000. BULGARIA AND HUNGARY HAVE ACTIVE ARMIES OF SOME 50,000 (PROBABLY BIGGER THAN THAT AT THIS MOMENT) AND 690,000 TRAINED RESERVES EACH.

TO THIS COMBINE MUST NOW BE ADDED ALBANIA, RECENTLY TAKEN OVER LOCK, STOCK AND BARREL BY ITALY. THIS LITTLE COUNTRY, WHICH NESTLES IN THE SIDE OF YUGOSLAVIA ON THE ADRIATIC, IS OF GREAT STRATEGIC VALUE.

JUL 15 1939

A70 (NYC OUT)

RUMANIA IS PLACED IN AN EVEN MORE UNHAPPY POSITION THAN HAS

A70 (NYC OUT)

RUMANIA IS PLACED IN AN EVEN MORE UNHAPPY POSITION THAN HAS EXISTED FOR HER SINCE THE DISMEMBERMENT OF CZECHO-SLOVAKIA. YUGOSLAVIA WAS HER ALLY IN THE LITTLE ENTENTE, WHICH DIED WITH CZECHO-SLOVAKIA, AND IN THE BALKAN ENTENTE (RUMANIA, YUGOSLAVIA, TURKEY AND GREECE) WHICH MUST COLLAPSE AS AT PRESENT CONSTITUTED IF THE "LITTLE AXIS" IS FORMED.

SO NOW RUMANIA--GUARANTEED AGAINST AGGRESSION BY THE ANGLO-FRENCH ALLIES--IS ALL BUT SURROUNDED BY HITLERIAN ADHERENTS--HUNGARY, YUGOSLAVIA AND BULGARIA.

APART FROM OTHER CONSIDERATIONS, BULGARIA WANTS RUMANIA TO GIVE BACK THE FORMER BULGARIAN TERRITORY OF DOBRUJA, AND HUNGARY

IS DEMANDING THE RETURN OF BIG TRANSYLVANIA.

TAKING IT ALL AROUND, GERMANY APPEARS TO BE SETTING UP WHAT IS CALCULATED TO BE A TERRIFIC SQUEEZE WHICH CAN BE USED AGAINST RUMANIA IF THAT COUNTRY DOESN'T PLAY BALL. IN AN ALMOST EQUAL DEGREE IT MIGHT BE EMPLOYED AGAINST GREECE, AND IN LESS STRENGTH AGAINST TURKEY.

BUT THE ECONOMIC ASPECT OF THIS EXTRAORDINARY SITUATION RANKS ALONG WITH THE POLITICAL AND MILITARY. HUNGARY, YUGOSLAVIA AND BULGARIA CONSTITUTE ONE OF THE GREAT GRANARIES OF THE WORLD, FOR WITH RUMANIA THEY FORM THE FAMOUS DANUBIAN BASIN.

YUGOSLAVIA, TOO, POSSESSES IMPORTANT MINERALS.

THE WHOLE AREA OF THE "LITTLE AXIS" OCCUPIES A BIG PLACE IN GERMANY'S DREAM OF POLITICO-ECONOMIC EXPANSION TO THE EAST. AMONG THOSE WHO HAVE HAD A GREAT HAND IN WORKING ON THIS SCHEME IS FIELD MARSHAL HERMANN GOERING, NAZIDOM'S CROWN-PRINCE. HE HAS BEEN FURTHERING THE ROMANTIC OLD IDEA OF LINKING THE RHINE AND DANUBE RIVERS, TO MAKE A THROUGH WATER-WAY FROM THE BALTIC TO THE BLACK SEA TO ACT AS A CARRIER FOR THE PRODUCTS GERMANY HOPES TO GET FROM OTHER NATIONS.

JH724AED

Hitler's Austria Grab Planned Far Ahead

Fuehrer Upsets Official Version That He
Acted on Spur of the Moment in Crisis

Berlin, July 15 (P)—Adolf Hitler disclosed today that he made up his mind to annex Austria three months before it happened instead of reaching the decision spontaneously in the crisis of March, 1938. "I decided in December and January, 1937-38, to liquidate the Austrian question and thereby erect a great German Reich," he wrote in an article for the magazine Art in the Third Reich.

tria following an interview with Schuschnigg at Berchtesgaden on Feb. 12.

The Fuehrer thereby personally upset an official version current until now that German soldiers were sent into Austria March 12, 1938, in response to the famous telegram calling for troops to maintain order. The communication was sent to Hitler by Arthur Seyss-Inquart,

then interior minister in the cabinet of Austrian Chancellor Kurt Schuschnigg.

Hitler's statement was written in connection with a description of the luxurious new Reich chancellery opened in Berlin last January. He said he was thinking about both building the chancellery and a greater Germany at the same time.

On Jan. 11, 1938, he ordered work to begin on the chancellery and two months later he took over Aus-

30.24-2449

30.24-2449

BERLIN—JULY 15 (P).—NAZIS CHARGED THE AUSTRIAN CHANCELLOR HAD "BETRAYED" PROMISES MADE TO HITLER ON THAT OCCASION.

THE FUEHRER INTIMATED THAT THE NEW CHANCELLERY WAS INTENDED NOT ONLY TO SERVE AS AN OFFICE BUILDING BUT AS A SYMBOL OF THE GREATER GERMANY HE HAD DECIDED TO BUILD. HE ALSO WROTE THAT AFTER 1950 THE BLOCK-LONG BUILDING WAS TO BE USED FOR "OTHER PURPOSES" BUT DID NOT SAY WHAT THEY WOULD BE.

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JUL 16 1939

CAT OUT OF BAG

Hitler Admits He Decided to
Annex Austria.

BERLIN, July 15 (A. P.).—Adolf Hitler disclosed today that his decision to take Austria was reached as early as December, 1937, three months before the annexation.

Writing for the magazine "Art in the Third Reich," Der Fuehrer said:

"I decided in December and January, 1937-1938, to liquidate the Austrian question and thereby erect a great German Reich."

This varies from the official version hitherto current, that German troops were sent into Austria on March 12, 1938, only in response to the famous telegram calling for help to maintain order sent by Dr. Arthur Seyss-Inquart, Interior Minister in the government of Chancellor Kurt Schuschnigg.

would be satisfied with the return of the Free City as the first step toward obtaining greater concessions from Poland in Pomorze—the Polish Corridor which separates East Prussia from Germany proper.

The most talked about method for bringing about the proposed union of Danzig and Germany is that of a declaration by the Danzigers that they no longer are bound by the Free City constitution as created by the Treaty of Versailles and that they henceforth are a part of the Reich.

Would Watch And Wait

Nazis then would see what, if anything, happened from the side of Poland and her British and French allies.

Although the larger Corridor problem has not been played up in Germany recently as much as has eventual union of the Free City with Germany, informed quarters expressed a belief it had by no means been postponed but merely was being held in abeyance for tactical reasons.

The German public has not been permitted to forget that East Prussia is cut off from Germany by the Corridor.

Hundreds of young officers are en route from five different military schools to Tannenberg, in East Prussia.

Army Chief To Speak

There, next Thursday, Col. Gen. Walther von Brauchitsch, chief of staff of the army, will address them on the site of the 1914 battlefield, where Germany was victorious over Russian troops.

Hitler also will speak there on August 17—in celebration of the twenty-

fifth anniversary of the battle. Today the Fuehrer gave himself over to art, listening to an address by Paul Joseph Goebbels, Propaganda Minister, at the German art week convention, on the meaning and development of art in the Third Reich.

Hitler himself will speak to the convention at 11 A. M. (5 A. M., E.S.T.) tomorrow.

Culture Enriched

Goebbels in his address declared the advent of Nazism enriched German culture and "brought the masses back into the concert halls, theaters and museums."

He described German culture of post-war days as a period during which "Jews established their tyranny of art."

Because of this, he said "the German people took a diminishing interest in art in general." He added: "Jews lack any deep understanding for beauty. Typical Jewish art glorifies the degenerate, it abhors heroism."

Albert Forster, Danzig Nazi district leader, who had long talks with Hitler yesterday and Thursday, still was participating in the art ceremonies but as far as could be learned the two today did not continue their conversations.

REICH IS STANDING PAT. NAZIS ASSERT

Hitler Insistent On Annexation Of Danzig At Least,
Leaders Say

M. K. WHITELEATHER
[By the Associated Press]

Munich, July 15—Nazi leaders assembled here with Reichsfuehrer Adolf Hitler expressed the opinion today that Germany is standing pat on the Polish question and intends that at least Danzig shall become a part of the Reich "as soon as it is convenient." Recent indications were that Hitler

MUNICH JULY 15 - *x v x conversations*
HOWEVER, FOREIGN MINISTER JOACHIM VON RIBBENTROP IS DUE TOMORROW FROM NEAR SALZBURG, WHERE HE IS RESTING, AND IT WAS EXPECTED HE WOULD CONFER WITH BOTH HITLER AND FORSTER.

FIELD MARSHALL HERMANN WILHELM GOERING, HITLER'S RIGHT-HAND MAN, IS ABOUT THE ONLY TOP-RANKING OFFICIAL ABSENT FROM THE MUNICH ART CELEBRATION. HE HAS BEEN SAILING GREATER GERMANY'S INLAND WATERWAYS IN A YACHT, GOING FROM RIVER TO RIVER AND CANAL TO CANAL, INSPECTING THEIR CAPACITIES.

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30.24
JUL 16 1939

ITALIANS DISCUSS TRIESTE WITH NAZIS

Negotiations Reported on Increase of Business.

ROME, July 15 (A. P.).—Negotiations were reported under way today between Germany and Italy in an effort to work out a trade agreement formula under which the Adriatic port of Trieste would recover some of its former shipping prestige and prosperity.

Nothing has been said officially, however, concerning what action might be taken to solve the problem resulting from Trieste's diminishing trade since German occupation of Austria and most of Czechoslovakia, formerly important points for the Italian port's cargo.

The traffic at Trieste, the former Austrian port which Italy gained after the world war, also has decreased as a result of Germany's absorption of an increasing amount of goods, from all Balkan countries—goods previously shipped from Trieste to the Near East, the Far East and Africa.

Current discussions were said to revolve around an Italian offer of port concessions if Germany would agree to return a profitable amount of trade from the lands she has absorbed.

Meanwhile Virginio Gayda, authoritative Fascist writer, wrote in Il Giornale d'Italia that the exodus of the Italian Tyrol's German pop-

ulation had been arranged with Germany to help fix the Italian-German frontier "forever" by averting nationality problems.

Danzig's Youth Marches As Europe Waits Crisis

Free City of Danzig, July 15 (A. P.).—Boys and girls in Nazi organizations marched and sang in the Free City's old streets tonight while Europe's most-watched trouble spot waited in a dead political calm for the results of Adolf Hitler's latest counsel to Albert Forster, his Danzig lieutenant.

Forster, the local Nazi leader, was expected back next week after his conferences with the German Führer Thursday and Friday at Hitler's mountain retreat above Berchtesgaden.

Forster's aides believed he would have new instructions but that they would in essence counsel Danzig Nazis once more to be patient.

Leaders Confident

Party leaders here still were confident, however, that Germany soon

would find a way to annex Danzig, and Forster's telephone calls from Germany, they said, made them more optimistic. They declined to be more specific.

Boys and girls of the Hitler youth groups went to sports events and picnics. Numerous youth delegations from Germany filled Danzig beaches and parks, having come on "kraft durch freude"—"strength through joy"—excursions operated by the German or-

ganization of that name.

Athletic youngsters, boys in shorts and girls in white blouses and white skirts, sang as they marched a new Danzig Nazi song in which one couplet goes:

Germany, motherland, hear our plea.
Germany, fatherland, set us free.

Police and uniformed Nazi organizations remained on alert duty as they have for some weeks.

But while there were numerous uniforms Danzig did not give the impressions of a militarized city.

Even in Polish quarters it was observed that the Nazi "protective measures" apparently were not extensive. Polish officials displayed confidence as great as that of the Nazis. There was no evidence that the Poles were ready to make any concession to the predominant Nazi element.

The Polish ammunition depot on the Westerplatte, a little peninsula in

Danzig's harbor, will remain there despite Nazi protests, a Polish spokesman said. He reiterated there could be no solution of the Danzig problem which limits Poland's rights in the Free City.

There have been reports the Nazi-dominated Danzig Government would demand removal of the ammunition dump.

GERMAN-BRITISH

BERLIN, JULY 15—(AP)—DEUTSCHE DIENST, AUTHORITATIVE GERMAN

COMMENTARY, REPLIED TONIGHT TO WHAT IT DESCRIBED AS A NEW ENGLISH ATTEMPT TO DRIVE A WEDGE BETWEEN THE GERMAN PEOPLE AND THEIR LEADERS THROUGH LETTERS SENT TO GERMANS OVER THE SIGNATURE OF STEPHEN KING-HALL.

PROPAGANDA MINISTER PAUL JOSEPH GOEBBELS, IN AN ARTICLE PRINTED BY THE ENTIRE GERMAN PRESS YESTERDAY, ACCUSED THE BRITISH FOREIGN OFFICE OF INSPIRING A FIRST SERIES OF LETTERS ADDRESSED TO "DEAR GERMAN READER."

ASSAILING A SECOND LETTER, DEUTSCHE DIENST SAID "WE WON'T PERMIT OURSELVES TO BE INFLUENCED BY BOMBASTIC THREATS REGARDING THE STRENGTH OF THE ENGLISH FLEET AND THE ENGLISH AIRFORCE, BUT REFER MERELY TO OUR OWN MILITARY STRENGTH."

QUOTING THE LETTER AS SAYING THAT THE "FOREIGN POLICY OF THE NAZI REGIME MUST BE CHANGED," THE COMMENTARY REMARKED "THAT TOLD SUIT HE

REGIME MUST BE CHANGED," THE COMMENTARY REMARKED "THAT WOULD SUIT HER KING-HALL AND (BRITISH FOREIGN SECRETARY) HALIFAX, HIS EMPLOYER.

"RATHER ENGLISH FOREIGN POLICY SHOULD BE CHANGED AND AGITATION FOR ENCIRCLEMENT HALTED. HERR KING-HALL OUGHT TO PERSUADE HERR HALIFAX TO QUIT HIS EFFORTS TO INTERFERE IN THINGS WHICH DON'T CONCERN HIM AND TO LIMIT HIMSELF INSTEAD TO PACIFYING HIS OWN GREAT WORLD EMPIRE.

"HE WOULD HAVE ENOUGH TO DO WITH THAT, LORD KNOWS. WHEN KING-HALL CHARGES GERMANY AND ITALY WITH WANTING TO LIVE DANGEROUSLY THEN ONE CAN MERELY SAY; IF THE AXIS NATIONS ONLY POSSESSED A PORTION

OF ENGLISH WORLD WEALTH, WHICH WAS SNATCHED WITH BRUTAL FORCE, THEN
THEY WOULD RENOUNCE THIS 'DANGEROUS LIFE.'
(KING-HALL, WHO CONDUCTS A BRITISH NEWS LETTER SERVICE, DECLARED
THURSDAY THAT HE WAS MERELY A "PRIVATE PERSON" AND THAT THE FOREIGN
OFFICE HAD NOTHING TO DO WITH HIS LETTERS TO GERMANY.)

THE COMMENTARY RIDICULED AS "DUMB" A STATEMENT IN
THE LATTER WHICH SAID MANY GERMANS WERE DOING THEIR UTMOST
TO OPPOSE THE NAZI REGIME.

THE LETTER WAS QUOTED AS OPINING THAT HITLER WAS
BADLY ADVISED AND APPEALING TO RECIPIENTS TO SHOW THE FUHRER
THEY WERE READY TO COOPERATE WITH BRITAIN.

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SLOVAKIA CLOSES FIVE CONSULATES

Failure to Recognize Country as
Independent Is Reason
BRATISLAVA, Slovakia, July 15
(AP).—The consulates of Turkey, Ru-
mania, Belgium, Sweden and Nor-
way today were ordered closed be-
cause their governments had failed
to recognize Slovakia as an inde-
pendent state.

German Imagines Raiding English by Parachutes

BERLIN, July 15 (A. P.).—A raid
on the British Isles by a parachute
army is no longer impossible,
Rear Admiral Richard Gadow wrote
in the newspaper Deutsche Allge-
meine Zeitung today. The German
military expert, however, ex-
pressed the belief that success of

"such an invasion on a large scale
is doubtful."

"But there always will be," he
said, "a chance for parachute
troops to cause severe damage to
traffic facilities, defense works, har-
bors, munitions depots and public
works in raid-like invasions. . . . It
will also be possible in many cases
to fetch these parachute troops back
and use them for other purposes
again."

He did not explain how this could
be done.

BRATISLAVA - JUL 15 - XXX STATE
(AFTER THE BREAK-UP OF THE CZECHO-SLOVAK REPUBLIC SLOVAKIA PLACED
HERSELF UNDER THE MILITARY PROTECTION OF GERMANY.)
THE SLOVAK GOVERNMENT ANNOUNCED LAST NIGHT THAT FRANCE HAD FORE-
STALLED CLOSING OF HER CONSULATE HERE BY ACCORDING DE FACTO RECOGNITION.
SLOVAKIA HAD ANNOUNCED THAT OFFICIALS OF FOREIGN NATIONS WHICH HAD
NOT RECOGNIZED HER WOULD NOT BE PERMITTED TO FUNCTION HERE AFTER
TODAY.

(THE UNITED STATES HAS NO CONSULAR OFFICE IN SLOVAKIA.)

Britain Awaiting Blitzkrieg

[By the Associated Press]
London, July 15—Just what will
happen if war comes to England?
Exactly how horrible will be the
ravages of bombing?

Of course, no one can tell precisely.
But there are theories and here is
the one of the Air Raid Defense
League, a Government-approved but
unofficial body formed to educate the
public in methods of defense against
air attack and whip popular enthu-
siasm to wartime efficiency.

Build Up Strength

Civilian defense, the league believes,
is the "true answer" to the blitzkrieg
or "lightning blow," oft-rumored
German air strategy.

"By careful action and vigorous
action in peacetime, civil defense can
steadily build up strength in what
is the very objective of the lightning
blow—civilian security and civilian
morale," the league recently declared.

The league believes that lightning
blow strategy would call for launch-
ing up to 1,400 planes in a continuous
24-hour assault on Britain in the first
day of a war.

"Twice Every Hour"

That estimate is based on a belief
that raids of around thirty machines
each would be sent up "to arrive on
the average of twice in every hour of
the day and night."

The league argues that Germany
would risk tremendous losses in a
vast "lightning stroke" in an attempt
to achieve immediate victory "by so
undermining civilian morale as to in-
duce a mass demand for peace at
any price."

The league believes that "a force
of three squadrons of nine machines
each would probably be the largest
that could be handled conveniently
on a single raid, though for purposes
of 'frightfulness' some raids might
be made up to higher numbers than
that."

Germany's total first-line air
strength is placed by the league at
between 3,000 and 4,000 planes.

Designed For Britain

Germany's total raiding force, "ten-
tatively" estimated by the league at
between 1,500 and 1,750 machines, is
split into four fleets based on Bruns-
wick, Berlin, Munich and Vienna.
The Brunswick air command, largest
of the four, is "admittedly designed for
raiding the British Isles."

(Some of Germany's estimated 2,000
bombers are believed to be unsuitable
for long-distance raiding, and prob-
ably would be used to back up oper-
ations of land forces.)

With London obviously the main
target, the entire east coast of Britain
and inland industrial centers like
Sheffield, Birmingham, and Manches-
ter also are marked out as major
objectives.

The Air Raid Defense League be-
lieves that "such a key strategic
point as the steel-making district of
Sheffield might become a target in
the blitzkrieg."

Many To Reach Target

"If we assume that the active de-
fense would be able to divert some,
to destroy some, and to frighten others
into dropping their bombs away from
the main target, a large number of
raiders will yet remain to reach the
target and drop their bombs there,"
said the league.

Admitting that a bigger proportion
might break through the defensive
barrage, the league estimates that if
only half of the raiders reached their
target they'd have around 700 tons
of bombs to loose in 24 hours.

Fifty Per Ton

"If, in our present state of pre-
paredness, we put the casualties at
fifty per ton in London, we would
certainly not overstate the risk. That
would give some 35,000 casualties over
the first day's raiding, of which,
perhaps, one third would be killed
and two-thirds wounded. It would
need very few days to bring the
total to 100,000."

Assuming the initial attack failed,
many believe that raids on civilian
population would become a secondary
activity, yielding place to the main
theater of war.

May Lose Way

Although there are vastly important
military objectives in Britain, many

defense experts assume that navigators
unfamiliar with the country and out-
on their first bombing raid of real
war might find it hard to locate
specific targets from planes traveling
at a probable 250 miles per hour at a
height of between 15,000 to 20,000 feet.

ED1016AED NM

1553
IN WARTIME, GUESSING AT MOST WEATHER FACTORS AND CONSCIOUS OF
LONDON-JULY-15
ATTACKING PLANES BENT ON DOWNING HIM, ACCURACY OBVIOUSLY WOULD BE
LESSENER.

BARRAGE BALLOONS BRITAIN PLANS TO DRAPE AROUND LONDON IN WARTIME
ARE DESIGNED TO GIVE PROTECTION FROM LOW-FLYING RAIDERS "COVERING"
THE ATTACKS OF HIGH-FLYING BOMBERS.

JUL 16 1939

A153

AGAINST THE THREAT OF DIVE BOMBING, IN WHICH SKILLED PILOTS
ACHIEVE GREAT ACCURACY BY HURLING FROM ANY HEIGHT THEY CHOOSE
DIRECTLY AT THEIR TARGET, BALLOONS ALSO ARE SAID TO BE EFFECTIVE.

OF THE THREE WEAPONS OF RAIDING BOMBERS--HIGH EXPLOSIVE, GAS,
AND INCENDIARY BOMBS--THE HIGH EXPLOSIVE "PILL" IS WIDELY HELD TO BE
MOST PROBABLE MAIN AMMUNITION IN AN AIR ATTACK ON BRITAIN.

HIGH EXPLOSIVE BOMBS NOT ONLY INFLICT CASUALTIES BUT WREAK
VAST DAMAGE ON PROPERTY AND PLANT.

GAS BOMBS, PACKED WITH LEWISITE OR MUSTARD GAS, IMPEDE RESCUE
AND RECONSTRUCTION WORK AND PREVENT APPROACH OF ALL BUT THOSE
WEARING ANTI-GAS EQUIPMENT.

IN ADDITION TO GAS MASKS, COMPLETE COVERING OF SPECIAL PROTECT-
IVE CLOTHING MUST BE WORN. BUT WHETHER GAS IS AN EFFECTIVE WEAPON
AGAINST GREAT CITIES, DUE TO ITS RAPID DILUTION WHEN DROPPED FROM
THE AIR, IS STILL AN OPEN QUESTION AMONG MILITARY MEN.

ONE TON OF MUSTARD GAS CAN SMEAR VARYING DEGREES OF CONTAMINATION
OVER SEVERAL ACRES.

DAMAGE CAUSED BY INCENDIARY BOMBS CAN BE NARROWLY LIMITED IF
ADEQUATE FIRE-FIGHTING APPARATUS IS IMMEDIATELY RUSHED INTO ACTION
WHEN THE BOMBS BURST.

INCENDIARIES ARE COSTLY. FOR THAT REASON AND BECAUSE, EVEN IN
URBAN AREAS ONLY AROUND ONE QUARTER OF THE GROUND IS COVERED WITH
BUILDINGS AND MANY BOMBS MUST GO TO WASTE, THEY HAVE BEEN LITTLE
USED IN SPAIN AND CHINA.

JUL 16 1939

(END SUNDAY ADVANCE, SENT JULY 8)

P244AED

GERMAN LIQUIDATING CZECH ARMY,
BUT MANY OFFICERS ARE ESCAPING
TO SERVE WITH FRENCH AND OTHERS

UNDERGROUND ORGANIZATION WORKS WITH SECRET COMMITTEES IN OTHER
COUNTRIES (800)

JUL 16 1939

BY ELMER W. PETERSON

(ADVANCE) GDYNIA, POLAND-(CORRESPONDENCE OF THE ASSOCIATED PRESS)-
"CZECHO-SLOVAKIA WILL AGAIN BE FREE," HE SAYS, AND, UNCONSCIOUSLY,
ONE HAND STRAYS TO STRAIGHTEN HIS NECKTIE, FOR HE IS NOT ACCUSTOMED
TO ORDINARY CIVILIAN CLOTHES.

FOR YEARS, HE WORE THE UNIFORM OF A CZECH AVIATOR.

THE WORDS STICK IN YOUR MIND AS YOU WATCH HIM WALK UP A
GANGPLANK TO THE DECK OF THE SMALL CARGO SHIP.

THEY ARE STILL IN YOUR MIND AS YOU WATCH THE SHIP SLIP QUIETLY
AWAY, WITHOUT BENEFIT OF BANDS AND CONFETTI AND FLAG-WAVING.

FOR HERE RESTS A STORY.

IT IS THE STORY OF THE "ESCAPE" FROM WHAT WAS CZECHO-SLOVAKIA OF
THOUSANDS OF FORMER CZECH OFFICERS WHO ARE SEEKING, CHIEFLY IN
FRANCE, THE POSSIBILITY OF USING THEIR MILITARY EXPERIENCE, IF THE
TIME COMES, IN THE INTEREST OF THEIR HOMELAND.

THROUGH THIS POLISH PORT HAVE GONE HUNDREDS OF THESE CZECH OFFICERS GRIM, DETERMINED MEN, YOUNG AND MIDDLE-AGED; IN MANY CASES SEPARATED FROM FAMILIES AND SWEETHEARTS.

FROM HERE THEIR JOURNEY IS EASY.

BUT THEIR TRAVELS FROM THEIR OWN COUNTRY INTO POLAND ARE, MORE OFTEN THAN NOT, MARKED WITH HIGH ADVENTURE, PHYSICAL AND MENTAL STRAIN, AND DANGER.

HOW MANY HAVE NOW CROSSED THE FRONTIERS INTO OTHER COUNTRIES CAN ONLY BE ESTIMATED. THE MEN THEMSELVES DO NOT KNOW. THERE ARE ESTIMATES AS HIGH AS 20,000, BUT THIS CANNOT BE VERIFIED. THERE IS A SECRET ORGANIZATION TO FACILITATE THE "ESCAPES," BUT IN THE LAST ANALYSIS IT IS AN INDIVIDUAL PROBLEM.

HOW DO THEY GET OUT OF CZECHO-SLOVAKIA?

WITH THE ASSISTANCE, TO BEGIN WITH, YOU ARE TOLD, OF AN EXTENSIVE UNDER-GROUND ORGANIZATION WORKING IN CONJUNCTION WITH SECRET COMMITTEES IN OTHER COUNTRIES. WHERE POSSIBLE, THE JOURNEY TO THE FRONTIER IS MADE LEGALLY, WITH PROPER PERMISSION AND DOCUMENTATION.

OTHERWISE, IT MUST BE DONE BY STEALTH, BY SWIMMING RIVERS AT NIGHT, BY NEGOTIATING DIFFICULT MOUNTAIN PASSES, OR WITH THE AID OF FRIENDLY FRONTIER PEOPLE.

JUL 16 1939

ONCE A MAN IS ACROSS HE REPORTS BACK, THROUGH SECRET CHANNELS, ON HOW HE MANAGED IT. EVERY NEW TRICK, EVERY NEW IDEA, MUST BE CAPITALIZED ON, FOR OTHERS WHO FOLLOW.

FOR THIS REASON, THESE REFUGEE CZECH OFFICERS ARE RELUCTANT TO TALK ABOUT THE MANNER OF THEIR ESCAPE. TO REVEAL TOO MUCH MIGHT BE TO CAUSE THE APPREHENSION OF SOMEONE ELSE TRYING THE SAME THING.

"HOW DID YOU GET ACROSS?"

30.24-2453

30.24-2453

"I GOT ACROSS. THAT IS ENOUGH. NO?"

"WAS IT DIFFICULT?"

"YES--AND NO."

YET SOME OF THE METHODS ARE KNOWN.

RECENTLY, TWO CZECH AVIATORS LEAPED FROM A MOVING TRAIN AND ESCAPED WHILE THE TRAIN WAS PASSING THROUGH THE POLISH CORRIDOR FROM GERMANY TO EAST PRUSSIA.

IN PRAGUE, THEY HAD MANAGED REGISTRATION AS UNEMPLOYED WITHOUT SUSPICION, IN ORDER TO BE SENT TO EAST PRUSSIA AS LABORERS. TO JUMP FROM A MOVING TRAIN IS TO RISK BROKEN ARMS AND LEGS--OR WORSE. BUT THEY MANAGED IT, WITH ONLY SLIGHT INJURIES.

A DARING ESCAPE WAS THAT RECENTLY OF SIX SLOVAK PILOTS WHO LANDED THREE MILITARY PLANES AT A POLISH AIRDROME AND TURNED THEIR PLANES OVER TO THE POLISH AUTHORITIES WITH FULL EQUIPMENT.

THE MOST FAMOUS "REFUGEE" TO GET ACROSS INTO POLAND IS GENERAL PHRALA, ONE OF THE BEST-KNOWN OF CZECH SOLDIERS, WHO, AFTER OBTAINING PERMISSION TO VISIT HIS WIFE WHO WAS LIVING OUTSIDE OF PRAGUE, MANAGED TO MAKE THE JOURNEY BY TRAIN WITHOUT HINDRANCE.

IN POLAND, IF THEY ARRIVE WITHOUT FUNDS, THESE CZECH OFFICERS AND AVIATORS ARE CARED FOR BY FRIENDS. NO CZECH LEGIONS ARE BEING FORMED IN THIS COUNTRY. THE REFUGEES LINGER IN POLAND ONLY LONG ENOUGH TO SECURE FUNDS AND MEANS OF TRANSPORTATION TO CONTINUE.

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THEY BRING WITH THEM STORIES OF UNREST AND PREPARATIONS FOR DOING WHAT CAN BE DONE IN CZECHO-SLOVAKIA IF WAR COMES.

"THE GERMANS WILL SEE WHAT WE CAN DO," SAID GENERAL PHRALA, WHO TOLD ALSO OF HIS IMPRESSIONS THAT SOME OF THE GERMAN MILITARY EQUIPMENT IS NOT GOOD.

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SUNDAY ADVANCE SENT JULY 9

WE1156PED

BY J.C. STARR

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PIET IS A QUIET SORT ANYHOW.

AND THERE'S LOTS ON HIS MIND. TALK OF WAR ALL AROUND HIM. BIG NEIGHBOR GERMANY GROWLING ABOUT "ENCIRCLEMENT" AND "LIVING SPACE" ON ONE SIDE OF HIM. BIG NEIGHBOR BRITAIN SCOWLING BACK FROM ACROSS THE NARROW NORTH SEA ON THE OTHER SIDE ABOUT STOPPING AGGRESSION.

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THEN, TOO, WITH ALL THIS "ENCIRCLEMENT" AND "LIVING SPACE" TALK, PIET THINKS THERE MIGHT COME A TIME WHEN ADOLF HITLER WOULD DECIDE TO PICK HOLLAND AS A RICH ADDITION TO HIS DOMAIN--EVEN THOUGH BRITAIN IN HER OWN SELF-DEFENSE IS COMMITTED TO DEFEND HOLLAND. THE RISKS WOULD BE TOO GREAT. IT'S A SMALL COUNTRY. BUT IT'S A RICH ONE. THERE'S GOLD IN AMSTERDAM. AND HITLER COULD USE SOME GOLD.

SO YOU CAN SEE, THERE'S PLENTY FOR PIET TO WORRY ABOUT. BUT HE'S SURPRISINGLY CALM ABOUT IT ALL. IN THE MANY CRISES EUROPE HAS HAD THIS HAS BEEN ONE OF THE LEAST NERVOUS COUNTRIES.

IT HAS TAKEN MILITARY DEFENSE MEASURES WITH THE REST OF THEM. BUT IT HAS DONE IT ALL QUIETLY, ALWAYS CAREFUL NOT TO OFFEND ANYBODY.

PIET HAS WATCHED THESE MILITARY MEASURES--DUTCH SOLDIERS MARCHING ABOUT, HEAVY GUARDS ON BOTH THE GERMAN AND BELGIAN FRONTIERS, A FEW AIR RAID SHELTERS BEING DUG, GAS MASKS IN STORE WINDOWS--WITH SCARCELY A CHANGE OF EXPRESSION.

SOME FOREIGN OBSERVERS SAY HE'S A BIT AMUSED BY IT ALL; OTHERS THAT IT'S A SORT OF HELPLESSNESS. HE ISN'T VERY MILITARY-MINDED ANYHOW. HE SERVED HIS SHORT TIME IN THE ARMY AND WHEN HE GOT OUT, IT WAS ALL OVER FOR HIM.

HE IS READY TO FIGHT, IF FIGHT HE MUST, BUT HE SAYS HOLLAND'S FATE, AFTER ALL, WOULD BE DECIDED LARGELY BY THE BIG POWERS.

APART FROM ALL THIS, PIET IS CONCERNED ABOUT BUSINESS. HOLLAND IS A TRADING NATION, AND THE DUTCH ARE TRADING PEOPLE. PIET IF HE'S A HOTEL PORTER OR A BANK CLERK, IS PROBABLY DOING A LITTLE TRADING IN AMERICAN STOCKS.

HOLLAND FEELS THE PINCH OF THE WORLD ECONOMIC SITUATION. TRADE IS OFF BADLY. SHE HAS SOME 400,000 UNEMPLOYED OUT OF 8,000,000 POPULATION, AND THEY GET A FAIRLY LIBERAL DOLE. DEFENSE MEASURES HAVE

COST HEAVILY. SO HAVE PUBLIC WORKS.

AND THE GOVERNMENT BELIEVES IN PAYING AS YOU GO AND NOT BORROWING. THIS MEANS HEAVY TAXES FOR PIET. HE PAYS AN INCOME TAX AND NEXT YEAR, IN ADDITION, THERE WILL BE A TWO PERCENT WAGE TAX. THERE'S A RENT TAX. IF PIET HAS A MAID, HE PAYS A HIGHER RENT TAX. HE PAYS ON THE PIANO, THE RADIO, EVEN HIS BICYCLE--OR BICYCLES, FOR HE MAY HAVE ONE FOR EACH MEMBER OF HIS FAMILY.

ALL THESE MAKE PIET FROWN, BUT HE'S BEEN TOLD BY THE PRIME MINISTER TO BE CAREFUL IN WHAT HE SAYS. SO HE GOES QUIETLY AND CALMLY ABOUT HIS WORK, HOPKING THINGS WILL TURN OUT ALL RIGHT.

(END SUNDAY ADVANCE. SENT JULY 9)

CHURCHILL BACKING GAINING IN LONDON

Sunday Press Advocates His
Inclusion in Government to
Keep National Front

LONDON, July 16.—Prime Minister Neville Chamberlain's refusal to reorganize his Cabinet threatened today to result in a serious political controversy at a time when government quarters were anxious to meet international problems with a demonstration of national solidarity.

The seriousness of the situation was indicated by editorials or leading articles on the subject in nearly every London newspaper.

The Sunday Express displayed a front page banner line saying the campaign to put Winston Churchill in the Cabinet was a "Move to Drive the Premier Out of Office." It added a headline that "Mr. Chamberlain Must Either Destroy His Opponents or Resign."

Mr. Churchill, Conservative party member but often a sharply spoken critic of the government, was First Lord of the Admiralty at the outbreak of the World War and sub-

sequently held several other Cabinet posts.

Lord Astor's Sunday Observer, which usually supports the government, took Mr. Chamberlain to task for refusing to bring Mr. Churchill into the Cabinet.

It described Mr. Churchill's exclusion as "repugnant to the average man's notions of national common sense and personal fair play."

Exceptional Support Needed

"The present Prime Minister is the last man to accept a new colleague thrust on him as a censor and opponent," The Observer said. "On the other hand, Mr. Chamberlain and his retinue cannot have it both ways, either."

"They must admit that they need exceptional support from the Oppositions. Yet they refuse to lift a finger for that purpose. This promotes dissension and antagonism."

"The serious thing as Ministerialists will find is that Mr. Churchill's exclusion has become repugnant to the average man's notions of national common sense and personal fair play."

The Sunday Times featured an article by Lord Elton on the editorial page entitled "keep an unbroken national front."

The article referred to Opposition Leaders Clement R. Atlee, Sir Archibald Sinclair and David Lloyd George as "mischief makers" and said "recent propaganda against the Prime Minister has been both inopportune and unfair."

Lord Elton continued that Mr. Churchill undoubtedly would be brought into the Cabinet in war time, but that meanwhile the nation would be content to accept Mr. Chamberlain's judgment "if he holds that the time for it is not yet."

"We are crossing a perilous pass," he said. "What most matters now after the building of an impregnable defense is that uneasy criticism should do no more to undermine the foundations of the national front and that the Prime Minister should know that he has an undivided nation at his back."

The tabloid Sunday Graphic also took this view, saying Mr. Chamberlain "does not set his face

against change but refuses to be stampeded from outside."

The Sunday Dispatch carried an editorial page article entitled "What Winston Churchill will do if he gets back into the Cabinet."

It said: "Mr. Churchill's worst enemies are false friends who attempt to use him as a stalking horse to cover their attack upon the government in these perilous times."

"The country as a whole is united in its resolve to retain Mr. Chamberlain and the national government. A large section of opinion would like to see Mr. Churchill in that government, too. They see those two men as pillars of the State."

30.24-2455 30.24-2455

JUL 16 1939

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JUL 17 1939

Mosley Offers Program For 'Peace in Our Time'

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This belief in turn springs from the Polish conviction that Hitler plans to create a "local" war with Poland if Berlin's aims are not realized otherwise, and that Germany's major attention is now directed to finding

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"This year, the exhibits of the Sudetenland, Prague, Bohemia, Moravia and Memel are here," he said. "We do not need to project German culture into these lands. It has been there for centuries. Der Fuehrer has brought it home again, with land and men."

High Officials Present

Although Hitler made no mention of politics, a political atmosphere pervaded the occasion, with almost all of the high Nazi officials present except Air Marshal Hermann Wilhelm Goering, who was on a yacht trip through German canals and streams.

The question of Danzig, which Hitler has promised to return to Germany, gathered momentum through the continued presence here of the Danzig Nazi leader, Albert Foerster, and the statement by a well informed source that "the German Reich holds that the time has come to free German-Polish relations from this problem."

Rudolf Kircher, editor of the "Frankfurter Zeitung" and a man close to the Foreign Ministry, made that assertion in his newspaper, adding that "the less the English or others mix in it the better." He said it was the duty of England to tell Poland: "In the long run there is nothing left for you but—even under sacrifices—to come to an understanding with Germany and through a policy of loyal co-operation with the Reich, secure a guaranty for your independence and welfare which we English in the long run, even if we wanted to, could not provide."

Hitler Talks About Art

In his address, Hitler told Germany's artists that in times of swift revolutionary developments those who form a political and worldly outlook upon people "must attempt, when necessary, to influence artistic forces, even at the risk of serious infringement of them in the sense of a common attitude toward the world."

"Only in that way," he continued, "can surviving art be prevented from separating itself from the actual life of the people and therefore isolating itself more and more."

"Naturally, it does not suffice to help artists through suggestions and to regiment them through prohibitions and ordinances. One must assure them the possibilities of work, and the best evidence here lies again in the act."

"As the Reich has grown, so grows art. Architectural accomplishments are already powerful witnesses to the strength of the Reich in the cultural and political field."

IN CLOSING HIS SPEECH HITLER ANNOUNCED FOR LATER TODAY THE LAYING OF

THE CORNERSTONE OF A NEW EXHIBITION BUILDING WHICH HE SAID WOULD BE

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NEXT YEAR.

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MUNICH, Germany, July 16 (P).—Chancellor Adolf Hitler opened a German national art exhibition here today with a fifteen-minute address which was notable in a world watching the Danzig situation because it contained no mention of the Free City or of any other political question. Der Fuehrer was content to review German art briefly and to describe Nazi contributions to it, which he said, show that "the National Socialist star of art is shining in the heavens."

His address and the opening of the exhibition were the high points of the third annual German art week. The only political tinge to the festivities came in the introduction of Hitler by the Nazi district leader, Adolf Wagner, who said the art celebration "grows in the same measure and tempo with which Der Fuehrer augments the Reich."

"This year, the exhibits of the Sudetenland, Prague, Bohemia, Moravia and Memel are here," he said. "We do not need to project German culture into these lands. It has been there for centuries. Der Fuehrer has brought it home again, with land and men."

High Officials Present

Although Hitler made no mention of politics, a political atmosphere pervaded the occasion, with almost all of the high Nazi officials present except Air Marshal Hermann Wilhelm Goering, who was on a yacht trip through German canals and streams.

The question of Danzig, which Hitler has promised to return to Germany, gathered momentum through the continued presence here of the Danzig Nazi leader, Albert Foerster, and the statement by a well informed source that "the German Reich holds that the time has come to free German-Polish relations from this prob-

lem. Rudolf Kircher, editor of the "Frankfurter Zeitung" and a man close to the Foreign Ministry, made that assertion in his newspaper, adding that "the less the English or others mix in it the better." He said it was the duty of England to tell Poland: "In the long run there is nothing left for you but—even under sacrifices—to come to an understanding with Germany and through a policy of loyal co-operation with the Reich, secure a guaranty for your independence and welfare which we English in the long run, even if we wanted to, could not provide."

Hitler Talks About Art

In his address, Hitler told Germany's artists that in times of swift revolutionary developments those who form a political and worldly outlook upon people "must attempt, when necessary, to influence artistic forces, even at the risk of serious infringement of them in the sense of a common attitude toward the world."

"Only in that way," he continued, "can surviving art be prevented from separating itself from the actual life of the people and therefore isolating itself more and more."

"Naturally, it does not suffice to help artists through suggestions and to regiment them through prohibitions and ordinances. One must assure them the possibilities of work, and the best evidence here lies again in the act."

"As the Reich has grown, so grows art. Architectural accomplishments are already powerful witnesses to the strength of the Reich in the cultural and political field."

IN CLOSING HIS SPEECH HITLER ANNOUNCED FOR LATER TODAY THE LAYING OF

THE CORNERSTONE OF A NEW EXHIBITION BUILDING WHICH HE SAID WOULD BE

LARGE ENOUGH TO DISPLAY ALL FORMS OF GERMAN ART. IT IS TO BE COMPLETED

NEXT YEAR.

PS1225PED

THE AUTHORITATIVE BERLIN-ROME-TOKIO, PUBLISHED UNDER THE PATRON-

AGE OF FOREIGN MINISTER JOACHIM VON RIBBENTROP AND EDITED BY DR.

PAUL SCHMIDT OF THE FOREIGN OFFICE, LIKE KIRCHER UNDERSCORED GERMANY'S CLAIM ON DANZIG.

"FOR US AND OUR FRIENDS," THE PUBLICATION SAID, "DANZIG IS A DE

FACTO GERMAN CITY AND IT WILL ONE DAY BE A DE JURE GERMAN CITY.

SPEECHES, ARTICLES AND DIPLOMATIC MISSIONS DO NOT CHANGE THAT AT

ALL."

THE BRITISH EMPIRE, BERLIN-ROME-TOKIO SAID, IS A "FICTION." IT

ADDED:

"IN AN EVER INCREASING MEASURE THAT IS BROUGHT TO LIGHT IN THE FAR

EAST, IN INDIA, IN ARABIA AND NOT THE LEAST IN EUROPE. WHEN THE

WORLD HAS RECOGNIZED THE FACTS OF THE CASE IN ALL CLEARNESS THE EMPIRE

WILL COME UPON A SERIOUS SITUATION.

"THEREFORE ENGLAND WANTS TO GIVE THIS FICTION THE APPEARANCE OF REALITY THROUGH A VICTORY OF ITS STRONG HAND POLICY, BE IT THROUGH THE ESTABLISHMENT OF A CONDITION OF CONTINUAL FEAR OF THE TOTALITARIAN STATES OR THROUGH A WAR."

RQ/PS405PED

Plan for New British Borrowing Depresses Securities in London

Also Stirs Wide Speculation on Ultimate Expenditures; Possibility of Certain Degree of Inflation Is Discussed in Some Quarters

LONDON, July 16 (P).—The great cost of Britain's rearmament and uncertainty as to when and where it will end cast anxiety over London markets last week in a period of waiting to see what the summer months would hold for Europe.

The announcement of the Chancellor of the Exchequer, Sir John Simon, of the necessity of increased government borrowing, drove gilt-edged securities down lightly and set off widespread speculation as to the ultimate proportions of expenses for defense.

The revised figures on defense borrowing requirements served as a reminder also of where the bulk of the nation's savings must go for several years. The possibility that government borrowing, together with large credits to British dominions and Britain's allies for armaments, might lead to a certain degree of inflation was discussed in some financial quarters.

There was also speculation on the possibility that an interim budget might become necessary later, in view of the fact that supplementary defense estimates already have been announced, although the budgetary year is only fourteen weeks old.

The foreign trade returns announced yesterday provided another important market factor. These showed a slight gain for exports for the first six months of the year over the same period of 1938 and an important decline, the 1939 figures being £236,318,724 (about \$1,110,698,000) for exports and £447,886,336 (about \$2,104,366,000) for imports.

"The Financial Times" said the figures showed "the urgent necessity for expansion of our export trade."

The London silver market awaited further moves in the United States silver price tangle. With the London prices above those in America, no arbitrage was possible here. This position, silver dealers said, would have to be cleared up within a short time or the position would become "impossible."

JUL 17 1939

40 NAZI ARMY TRUCKS SLIP INTO DANZIG

Train Driven By Men In Uniform Speeds In Just Before Förster

[By the Associated Press]

Danzig, July 17—Forty military supply trucks from East Prussia entered the Free City of Danzig tonight.

The big gray vans—locked up tight—sped into the city in close formation from the East Prussian city of Marienburg, near the Danzig border. They were driven by men in uniform.

The machines, accurately counted by observers on the Marienburg-Danzig highway, went to unknown destinations in the Free City.

The truck train reached Danzig shortly before the arrival here of the Nazi district leader, Albert Förster, who returned by airplane from conferences with Führer Adolf Hitler at Munich and Berchtesgaden.

Förster carried to his home without comment on reports he had brought back a "definite plan" for the annexation of Danzig by Germany—one of the German demands that has caused Poland to mobilize 750,000 men.

The arrival of about 1,000 boys of the Hitler youth organization from Germany tonight also lent a distinctly Nazi atmosphere to Danzig streets.

The visitors in brown shirts and black shorts gathered for a pep meeting in Theater Square, where the Reich Propaganda Minister, Paul Joseph Goebbels, a month ago announced that "Danzig is German and wants to return to the Reich."

Danzigers took keen interest in the visit of Major General Sir Edmund Ironside, British inspector general of overseas forces, to the Polish port of Gdynia, a few miles north of Danzig, and to Warsaw to inspect Polish military preparations.

Danzig Nazis were agitated by a report the British general's tour might include a visit to the Westerplatte, a peninsula in Danzig harbor, where Poland, by League of Nations concession, has stored great quantities of munitions. Nazi leaders have voiced demands that the munitions dump be removed.

Poles Acclaim British General Upon Arrival

Warsaw, July 17 (P).—Poland gave an enthusiastic reception tonight to Maj. Gen. Sir Edmund Ironside, inspector general of British overseas forces, who

came to confer with military leaders on coordinating Poland's military strength with that of Britain and France.

Reports that Gen. Maurice Gustave Gamelin, commander in chief of France's armed forces, also might visit Warsaw intensified one of Poland's fondest hopes of late—the translation of the Polish alliance with the two Western powers into clear fact and action on the military side.

The greeting accorded the towering General Ironside when he landed at Warsaw airdrome after a speedy flight from London echoed jubilation expressed in the Polish press and among the Polish people generally.

Answer To Polish Seen

In the Polish opinion, the visit of the giant British officer—he stands 6 feet 4 inches and weighs 252 pounds—answered any German belief that Britain lacked sincerity in her pledge to fight for Poland's independence.

General Ironside, who was recalled from the Governorship of Gibraltar May 3 to become inspector general of Britain's overseas forces, is expected to discuss with Polish leaders the best available routes by which munitions and supplies might be shipped into Poland.

In this connection the proposed three-power mutual assistance agreement sought by Britain and France with Soviet Russia has significance for Poland, since Russia represents the most immediately available source of supply for Poland.

Friendship Significant

The friendship of Moscow also has significance regarding the transport of military equipment and supplies to Poland from the Black Sea over Soviet territory. It is regarded highly unlikely that in the event of war with Germany Britain could force supplies through the Baltic to reach Poland.

General Ironside, known as "Big Bill" to the average Briton and as "Tiny" to close friends, received an impressive reception at the hands of high Polish military leaders.

An honorary infantry detail flanked the field and the broad-shouldered general snapped sharply to attention with other officers in the official party as a band played "God Save the King."

At the Polish port of Gdynia, on the Baltic, he made a brief stop and was received by Polish naval, military and civil authorities in the area.

Good Field For Study

From a military view the distinguished Briton had an interesting field for study in Poland. He came to a country which has had an estimated

750,000 men mobilized for war for almost four months, a country which has maintained herself on a war footing for that length of time and one which is declared ready—as far as she can be—for all emergencies.

Polish munitions and airplane factories are working overtime. The whole machinery of war preparedness is at a high pitch.

Poland's defensive military precautions were given impetus by Nazi demands—and Poland's refusal—for return of the Free City of Danzig and a sovereign right of way across Pomorze, the Polish Corridor, which separates East Prussia from Germany proper.

Berlin Newspaper Sees "War Council" In Visit

Berlin, July 17 (P).—The Warsaw visit of Maj. Gen. Sir Edmund Ironside, new inspector general of British overseas forces, aroused great interest in Berlin today and the newspaper *Nachtausgabe* said the trip showed Germany's foreign policy "is justified in every single point."

The newspaper's front-page headline over the comment read: "Secret Council of War on Two Fronts."

"The English play is now completely clear," *Nachtausgabe* said. "Chamber-

lain gives Poland to a large extent the right to provoke a world war.

"... In any case the policy is so laid that not England but Poland will carry responsibility for the provoked attack.

"Perhaps even Halifax (British Foreign Minister) and Vansittart (chief diplomatic adviser to the British Foreign Office) realize that no one in the world can talk any more on English intentions to negotiate when England so clearly arms for provoked attack."

Interest has been attached to the announcement that Ironside would inspect Poland's industrial area to the south of Warsaw. This, it is admitted, would be one of the first objectives of an attacking power.

WARSAW—FIRST ADD NIGHT LEAD POLISH X X GERMANY PROPER.

INTEREST HAS BEEN ATTACHED TO THE ANNOUNCEMENT THAT IRONSIDE WOULD INSPECT POLAND'S INDUSTRIAL AREA TO THE SOUTH OF WARSAW. THIS, IT IS ADMITTED, WOULD BE ONE OF THE FIRST OBJECTIVES OF AN ATTACKING POWER. THE BRITISH GENERAL THUS WOULD GAIN FIRST HAND INFORMATION ON POLAND'S PROBLEM OF DEFENSE AND STEPS BEING TAKEN TO SECURE THAT DEFENSE.

THE BIG OFFICER WITH THE BOONING VOICE MIGHT HAVE A SUGGESTION OR TWO OF HIS OWN IN THIS CONNECTION, FOR HE IS KNOWN AS ONE OF BRITAIN'S TOP-FLIGHT MILITARY LEADERS.

30.24-2457

30.24-2457

A SCOT BY BIRTH, HE ENTERED THE ROYAL ARTILLERY AT 19 AND SAW SERVICE IN THE SOUTH AFRICAN CAMPAIGN AND IN THE WORLD WAR, WINNING A REPUTATION FOR ORGANIZING ABILITY.

BRITISH CONFER WITH THE POLES ON WAR TACTICS

Gen. Ironside Is Flying to Warsaw to Thresh Out Unified Command.

GAMELIN MAY FOLLOW HIM

Meanwhile French Consult Turks at Ankara on Co-operation — Berlin Press Stirred.

LONDON, July 17 (A. P.).—The new Inspector-General of the British overseas forces, Major-Gen. Sir Edmund Ironside, took off from Croydon Airport for Warsaw today for staff talks with the Polish high command.

Gen. Ironside was due in Warsaw about 5 P. M. for a visit which the War Office said was a continuation of the military contact already established.

As Gen. Ironside left it was understood that the question of Great Britain, France and Poland acting under a unified command in event of war would be discussed in Warsaw. Meanwhile French staff officers arranged talks with Turkish military experts at Ankara, the Turkish capital, on defense plans under the French-Turkish pact.

Home Defenses Inspected.

While the Polish talks were under way, War Secretary Leslie Hore-Belisha and a number of high officers took off for a tour of anti-aircraft gun positions and searchlights in Yorkshire, in northeast England.

British anti-aircraft guns were manned for a defensive drill in a mock raid by 100 French bombing planes, probably tomorrow.

The Royal Air Force, which made a 1,200-mile hop over French territory last week, awaited sealed orders for another and longer flight in a series of reciprocal maneuvers

to give mutual air attack and defense tests and to impress the axis Powers.

"This new demonstrativeness of the democracies," said the Daily Herald, "is part of an effort to convince the German Government that Munich is no longer a political possibility."

Hitler's Silence Comforting.

Hitler's avoidance of the Danzig issue in a speech yesterday at Munich was looked upon here as a sign favorable to possible negotiation of the critical dispute between Germany and Poland. Hitler, opening the German national art exhibition, spoke for fifteen minutes without mention of any political topic.

Anxiety over the month of August, expected to be critical, and the weakness of hopes for a speedy conclusion of the Anglo-Russian negotiations for a mutual assistance pact were reflected in an announcement by William Wedgwood, Laborite, Benn that he would ask Prime Minister Chamberlain today whether he would undertake that the House of Commons be in session until the Moscow discussions are completed.

Full Control Set Up.

Meanwhile Geoffrey Lloyd, Secretary of Mines, announced in Commons a comprehensive plan for wartime control over production and distribution of coal, gas and electricity.

He said that a system of priorities would be established to insure a supply of coal essential to industries. He added that a scheme for regulating supplies of fuel to domestic consumers had been prepared and would be administered through local authorities.

A departmental staff required to operate the plan already has been organized, he said, and could be brought into immediate action in an emergency.

The newspaper said Britain's first policy is to deter Chancellor Hitler, "to prevent a catastrophe, completely to avoid the gigantic agony of another war."

French Also to Go to Poland

PARIS, July 17 (A. P.).—General Marie Gustave Gamelin, commander-in-chief of all French armed forces, is expected to go to Poland soon to discuss French-Polish military cooperation in case of emergency. Published forecasts of the trip, which lacked official confirmation, failed to mention the date. A French military mission headed

by General Charles Huntziger, commander of French troops in Syria, arrived at Angora, Turkey, today, for staff talks with Turkish army heads.

An announcement here said 100 French bombing planes would make a practice flight over England tomorrow or Wednesday, depending on weather conditions.

Warsaw Pleased With Visit.

WARSAW, July 17 (A. P.).—The coming of Major-Gen. Sir Edmund Ironside for staff talks was regarded today in Polish circles as a well-timed gesture which should convince Germany that the Anglo-Polish alliance exists in fact as well as by declaration.

Gen. Ironside was expected to

discuss, in broad outline at least, the highly important question of just how Great Britain could assist Poland if her present guaranties were brought into force.

The announcement of the Briton's visit said that he was coming for "important conferences with Polish military leaders on co-ordination of military tactics by Britain and her European allies."

Foreign circles regard the projected talks as indicative that:

1. Great Britain is now well enough along with her armaments to begin openly to consider co-ordination with her allies.

2. The campaign to impress Germany with the solidarity of the British-French-Polish front is continuing and cannot fail to claim German attention.

OF BEING CALLED ONLY WHEN EVENTS HAD GONE TOO FAR," THE PAPER SAID.

"LET THERE BE NO MISTAKE THIS SUMMER."

A SUBSTANTIAL SECTION OF THE PRESS MEANWHILE CONTINUED

TO TAKE SIDES ON THE QUESTION OF WHETHER CHAMBERLAIN OUGHT TO REVAMP HIS CABINET AND INCLUDE WINSTON CHURCHILL, FIERY CONSERVATIVE CHIEFTAIN AND NOTABLE FOE OF FASCISM, AND, DURING CHAMBERLAIN'S SO-CALLED APPEASEMENT POLICY, AN OUTSPOKEN CRITIC OF THE GOVERNMENT. SOME OPPOSITION MEMBERS OF PARLIAMENT WERE REPORTED

CONSIDERING PRESSURE FOR THE COUNCIL OF STATE TO INCLUDE OPPOSITION

LEADERS LIKE ^{SIR} ARCHIBALD SINCLAIR, LIBERAL, HUGH DALTON, LABORITE,

AND ARTHUR GREENWOOD, LABORITE, IN THE EVENT PARLIAMENT ADJOURNS

WITHOUT CABINET CHANGES.

JUL 18 1939

THE QUESTION OF REORGANIZING THE CABINET DEVELOPED

INTO A SERIOUS POLITICAL CONTROVERSY OVER THE WEEK END AS NEARLY

LDN - JULY-17 WHILE ADJOURNMENT OF COMMONS IS SCHEDULED FOR THE

FIRST WEEK IN AUGUST, THE NEWS CHRONICLE WAS QUICK TO URGE THAT

"THE WATCHDOGS OF COMMONS BE KEPT AT WESTMINSTER" UNTIL THE CRITICAL

SUMMER MONTHS ARE PAST.

"THE HISTORY OF CZECHO-SLOVAKIA MIGHT HAVE BEEN VERY

DIFFERENT HAD PARLIAMENT BEEN SITTING ALL THROUGH LAST SUMMER INSTEAD

EVERY LONDON NEWSPAPER PRINTED LEADING EDITORIALS ON THE SUBJECT.

LORD ASTOR'S SUNDAY OBSERVER, WHICH USUALLY SUPPORTS THE GOVERNMENT, SCORED CHAMBERLAIN FOR REFUSING TO TAKE CHURCHILL INTO THE CABINET. CHURCHILL'S EXCLUSION, SAID THE PAPER, IS "REPUGNANT TO THE AVERAGE MAN'S NOTIONS OF NATIONAL COMMON SENSE AND PERSONAL FAIR PLAY."

THE SUNDAY EXPRESS, ON THE OTHER HAND, SAID THE CAMPAIGN TO INCLUDE CHURCHILL IN THE CABINET WAS A "MOVE TO DRIVE THE PREMIER OUT OF OFFICE."

WARSAW JULY 17
POLAND AND GERMANY WILL RESUME THEIR PERIODIC ECONOMIC TALKS IN AUGUST UNDER AN AGREEMENT SIGNED AUG. 30, 1938, PROVIDING FOR EXCHANGE OF GERMAN MACHINERY FOR POLISH CEREALS TO THE TOTAL VALUE OF 240,000,000 ZLOTY, ABOUT \$40,000,000.

AN EFFORT WILL BE MADE TO DETERMINE, FOR A SHORT

PERIOD AT LEAST, A DEFINITE QUOTA OF ~~INDUSTRIAL~~ EXPORTS AND IMPORTS.

APL PETERSONS FOURTH 0745 CAF 350A

British Plan Payments For Damages in a War Parliament Hears Insurance in Full Is Not Feasible

LONDON, July 17 (AP).—Parliament heard some war-time plans for the home front today.

Oliver Stanley, president of the Board of Trade, said the government was studying ways to reimburse owners of homes and other private property for damage that would come with the war, but could

not support an insurance scheme by which premiums paid now would guarantee full compensation.

He spoke during debate on a war-risks insurance bill which covers only ship cargoes and vital commodities. This bill covers about £2,380,000,000 (about \$11,138,400,000), but insurance on private property would involve about £12,000,000,000 (about \$56,160,000,000), Stanley said.

A comprehensive scheme for war-time control over production and distribution of coal, gas and electricity was announced by Geoffrey Lloyd, Secretary of Mines.

New Bids Fail to Affect 3-Power Treaty Parleys

Molotov Hears Proposals, but Situation Is Unchanged

MOSCOW, July 17 (AP).—Negotiations for a British-French-Soviet pact were described as "fundamentally unchanged" today, following nearly two hours of discussion at the Kremlin at which new proposals were presented to Soviet Foreign Commissar Vyacheslav M. Molotov.

Nothing was disclosed as to the nature of the proposals delivered by the special British envoy, Wil-

liam Strang, British Ambassador Sir William Seeds and French Ambassador Paul Emile Naggiar.

The complicated diplomatic situation baffled foreign observers here, who gradually were exhausting their stock of carefully-pondered estimates.

A much-repeated Moscow witticism summed up the situation as follows: "Strang nach Osten continues"—a play on the famous German ambition to expand toward the East (Drang nach Osten).

King Zog and His Queen Leave Riga for Sweden

RIGA, Latvia, July 17 (A. P.).—Exiled King Zog and Queen Geraldine of Albania sailed for Stockholm today en route to London. They arrived here last Thursday from Bucharest.

Italy Recalls Army Men

Paris, July 17 (AP).—Several Italian army officers delegated to study at the French War College have been recalled.

French officers studying at the Italian Academy at Turin were expected to be recalled in retaliation.

Ten Slovak Soldiers Drowned
BRATISLAVA, Slovakia, July 17 (AP).—Ten Slovak soldiers drowned Saturday in the Neutra River during exercises with a pontoon.

GERMANS GET WAR DEAD

Bodies of 72 Soldiers Shipped From Besancon, France

BESANCON, France, July 17 (AP).—The dusty bones of seventy-two German soldiers who died in France in the World War were started homeward tonight from the Besancon cemetery.

The bodies were removed from temporary tombs under supervision of a French and German commission.

Bones and remnants of uniforms were placed in swastika-covered coffins and taken to the Besancon station. Tomorrow a special train will carry them to final resting places in Germany.

The coffins were carefully tagged with German names, recorded at the time of burial. German officials will notify the soldiers' relatives and attempt to verify identities.

OPENING OF THE TOMBS TODAY WAS A CONTINUATION OF WORK WHICH HAS

BEEN GOING ON FOR SEVERAL YEARS IN NORTHERN FRANCE. THIS IS ONE OF THE FEW TIMES, HOWEVER, THAT REPATRIATION OF GERMAN DEAD HAS BEEN

UNdertaken AS FAR SOUTH AS BESANCON, NEAR THE SWISS BORDER.

EACH BATTLEFIELD CEMETERY IS CAREFULLY DOCUMENTED TO PROVIDE

OFFICIAL RECORDS NECESSARY FOR REPATRIATION OF THE DEAD. THE TRANSFER

OF BODIES IS CARRIED OUT UNDER A LONG-STANDING AGREEMENT BETWEEN THE FRENCH AND GERMAN GOVERNMENTS.

MOSCOW, JULY 17-(AP)—NEW BRITISH-FRENCH PROPOSALS FOR A THREE-

POWER MUTUAL ASSISTANCE PACT WERE DELIVERED TODAY TO PREMIER-FOREIGN COMMISSAR VYACHESLAV MOLOTOV.

BRITISH AMBASSADOR SIR WILLIAM SEEDS, SPECIAL BRITISH ENVOY

WILLIAM STRANG AND FRENCH AMBASSADOR PAUL EMILE NAGGIAR CARRIED THE PROPOSALS TO THE KREMLIN.

151227P

PRAGUE, JULY 17-(AP)-A BOMB WHICH EXPLODED PREMATURELY KILLED ONE OF TWO MEN ATTEMPTING TO PLACE IT IN A JEWISH CEMETERY AT KROMERIZ, IN MORAVIA, AUTHORITIES ANNOUNCED TODAY. THE SURVIVOR ESCAPED.

PS846PED

BERLIN, JULY 17-(AP)-AN ANNOUNCEMENT TODAY DISCLOSED ADOLF HITLER HAD DECIDED TO EXPRESS HIS ADMIRATION FOR PREMIER MUSSOLINI BY NAMING A NEW RAILROAD STATION AND STREET AFTER HIS AXIS PARTNER AND CHANGING THE NAME OF ADOLF HITLER PLATZ TO MUSSOLINI PLATZ.

IT WAS ANNOUNCED THE FUHRER INFORMED DINO ALFIERI, ITALIAN CULTURE MINISTER, DURING HIS VISIT TO THE GERMAN ART EXHIBITION AT MUNICH THAT A RAILROAD STATION WOULD BE BUILT TO HONOR IL DUCE IN THE NEIGHBORHOOD OF THE PRESENT HEERSTRASSE STATION.

IT WAS AT THE HEERSTRASSE STATION THAT MUSSOLINI ARRIVED ON HIS VISIT TO BERLIN IN 1937. THE NEW STATION WILL BE USED FOR ALL STATE VISITS.

THE STREET LEADING FROM IT TO MUSSOLINI PLATZ WILL BE RENAMED MUSSOLINI STRASSE.

ALFIERI WAS HITLER'S LUNCHEON GUEST TODAY IN MUNICH.

BERLIN, JULY 17-(AP)-THE POSSIBILITY OF A DIPLOMATIC PROTEST TO LONDON OVER LETTERS TO GERMANS SIGNED BY COMMANDER STEPHEN KING-HALL WAS RAISED TONIGHT AFTER GERMANS REPORTED RECEIVING A THIRD LETTER FROM THE BRITISH PUBLICIST.

"THE PURPOSE IS TO DRIVE A WEDGE BETWEEN THE GERMAN PEOPLE AND THE REICH GOVERNMENT," AN OFFICIAL SOURCE DECLARED, ADDING THAT THE LETTERS WERE VIEWED AS "AN ATTACK AGAINST THE GERMAN GOVERNMENT BY A SEMI-OFFICIAL ENGLISH SOURCE."

COMMANDER KING-HALL, A RETIRED BRITISH NAVAL OFFICER, OPERATES A LONDON NEWS-LETTER SERVICE AND HAS DENIED THAT THE FOREIGN OFFICE HAD ANYTHING TO DO WITH THE LETTERS DENOUNCING HITLER'S FOREIGN POLICY IN DIRECT APPEALS TO "DEAR GERMAN READERS."

THE LETTERS, PREDICTING GERMAN DEFEAT IN CASE OF WAR, HAVE BEEN

RECEIVED BY PERSONS APPARENTLY PICKED AT RANDOM IN ALL WALKS OF LIFE.

OFFICIALS WERE VISIBLY ANNOYED AND INTIMATED A DIPLOMATIC PROTEST MIGHT BE MADE SOON, ESPECIALLY IF MORE LETTERS ARE RECEIVED.

PS226PED

Italy On War Basis

Imports Are Cut, The Tourist Trade Is Vanishing, Industries Are Geared For Conflict

[By the Associated Press]

Rome, July 15—Conditions close to those of wartime are training Italian industry, business and agriculture for what they might expect in case of a European conflict.

Imports are restricted to conserve the precious gold supply.

Trade is fostered with friendly nations which presumably would continue serving Italy in time of stress.

Substitutes for some essential materials, such as artificial textiles and artificial rubber, are being developed under the self-sufficiency program labeled "autarchy."

And much of the country's industrial output consist of war equipment, with the Government spending more than \$69,000,000 (1,314,000,000 lire) on new arms alone during the current year.

Of Interest To U. S.

Of prime interest to the United States and other foreign powers, is Italy's foreign trade and its manipulation.

Ever since other countries of Europe, with the notable exception of Germany, tried to balk Italy's conquest of Ethiopia by trade restrictions, called sanctions, Italy has been trying to limit her need for other people's products.

Italy managed to cut her trade deficit—the amount of imports over

exports—from \$302,052,630 in 1937 to \$155,684,210 in 1938. But nevertheless she tapped her \$212,000,000 of gold reserves for \$10,631,579.

To avoid the exhaustion of the gold reserves, the Government has imposed a stringent elimination of unnecessary imports.

An American item that has been dispensed with, almost to the point of extinction, is the Hollywood film.

Tourists Dwindling

Dwindling of tourist expenditures in recent years is one cause of the shortage of foreign exchange with which Italy used to pay some of her trade bills in the past.

Felice Guarneri, Minister of Foreign Trade, told the Senate that the "war psychosis which has taken possession of the wealthy classes of all countries" has greatly reduced the number of tourists visiting Italy, with a resulting decrease in foreign trade.

Figures are lacking to show how much the Italian tourist business and Italian trade have suffered from retaliation abroad for the restrictions on Jews in Italy, but some effect has been reported in private business circles.

Certain it is that comparatively few American and British tourists are seen

in Italy this summer. In previous years the take from tourists reached as high as \$105,263,000, which with emigrant remittances and freight carried on Italian ships went to reduce and eliminate unfavorable trade balances.

Restricts Travel

Italy has sought to help counteract the poor tourist season by restricting the travel of her citizens abroad, except in the furtherance of trade expansion. Difficulty has been reported by Italians in getting passports for the United States and France. Although Italians already are organizing cruises from New York to Rome's exposition in 1942 in the hope of bringing back some of the American money, there were reported canceled some cruises from Italy to New York's fair this year.

The death penalty for money smuggling, which is about to be imposed by a law now in the drafting, also is expected to help Italy better control the traffic in foreign exchange.

The newspapers have accused Jews particularly of smuggling money out

of the country to be exchanged on so-called black markets at a rate which travelers report to be from 25 to 30 lire for the dollar, where the legally fixed rate in Italy is 19 lire to the dollar. In the black market operations, the Government loses the use of the foreign currencies for its needs.

Offers 21 Lire To Dollar

Finally, to encourage an upturn in remittances from emigrants to their families or for deposit in Italian banks, which also have slumped, the Government is offering 21 lire to the dollar.

Italy's foreign trade policy since sanctions has been aimed at:

1. Balance of payments.
2. Drastic reduction of unnecessary imports.
3. Promotion of exports.
4. Encouragement of means and ways to make Italy self-sufficient.

3. Guarantee of supplies of raw materials and equipment "indispensable to national existence and defense," meaning war supplies.
6. Development of national and imperial resources.
7. Economic collaboration with other nations.

Barter plays a large part in that policy.

Italy has followed a policy of opening her markets to those who buy Italian products and to the extent they buy them.

Encourages Accord

Premier Mussolini has encouraged increasingly close economic cooperation with Italy's friends, of whom the first is Germany, her partner in the Rome-Berlin Axis and in the Italo-German-Japanese anti-Comintern pact.

Clearing arrangements with twenty-three European countries have helped Italy over the foreign exchange difficulties that beset most of Europe. Italy owed foreign shippers \$19,842,000 on last May 19, while foreign countries owed Italian exporters \$24,315,000.

Of the amount due Italian exporters, Germany owed \$18,000,000.

Germany really is favored by the balance of her trade with Italy, which bought \$52,526,315 more from Germany in 1938 than she sold to Germany. Italy's invisible exports to Germany, however, have wiped out the unfavorable balance and established credits in Italy's favor.

German Spending

The invisible exports include expenditures by the hordes of German tourists who overrun Italy in the place of the absent tourists from other countries and remittances of Italian laborers in Germany.

About 30,000 Italian workers are helping the Axis partner overcome the labor shortage in agriculture and industry, including the building of frontier fortifications. That outlet for Italian labor, which formerly emigrated to other countries, also helps to reduce unemployment.

This year Italy is reducing further the unfavorable balance of her trade with the rest of the world. In the first four months, the trade deficit was \$28,631,579 as against approximately \$77,421,000 for the corresponding period last year.

In general, Italian business is reported to be in good condition. Industrial production in March was officially reported 4.7 per cent. higher than in the corresponding month of 1938. The increase was mostly in the metal, engineering, building, mining and chemical industries. The textile output was lower than a year ago.

Employment was reported up slightly. Unemployment figures have been withheld by the Government since 1935, when 755,000 persons were jobless.

ADVANCE FOR AMS OF SUNDAY JULY 16

ENGLAND PREPARES FOR A WAR IT DOES NOT BELIEVE WILL COME

AND ITS PEOPLE LARGELY HAVE RECOVERED FROM SEPT. SCARE

A KANSAN FINDS THEM NONCHALANT AND GAY AS THEY DRILL ((1300))

(ED. NOTE: JACK HARRIS, PUBLISHER OF THE HUTCHINSON (KANSAS) NEWS AND THE HERALD AND SEVERAL OTHER PAPERS, IS NOW ATTACHED TEMPORARILY TO THE LONDON STAFF OF THE ASSOCIATED PRESS. IN THE FOLLOWING INTERESTING STORY---A KANSAN LOOKS AT LONDON---HE FINDS TO HIS SURPRISE, LONDON IS FAR LESS EXCITED ABOUT A POSSIBLE WAR THAN MANY OF US IN THE UNITED STATES.)

BY JACK HARRIS

(ADVANCE) LONDON (CORRESPONDENCE OF THE ASSOCIATED PRESS)--THE DRIVER OF THE TAXI TO THE HOTEL SETS THE TONE.

(ADVANCE FOR AMS OF SUNDAY JULY 16)

(ADVANCE) LONDON--FIRST ADD ENGLAND PREPARES FOR WAR BY HARRIS

XXX THE TONE.

"WAR? LOR' LOVE YOU GUV'NER, THERE WON'T BE ANY." AND HOW DID THEY LIKE OUR KING AND QUEEN OVER IN THE STATES?

IT'S THE SAME EVERYWHERE. BUS CONDUCTORS, HOTEL CLERKS, WAITERS, CROSSING POLICEMEN, BAR MEN, AND TOURIST AGENCY CLERKS ON WHOM THE AMERICAN FRESH IN LONDON MUST DEPEND FOR HIS CONTACTS, ALL TELL THE IDENTICAL STOGY. THEY HAVE A PROFOUND CONVICTION THERE WILL BE NO WAR.

SO WHY SHOULD ANY CONVERSATION BE WASTED ON THE SUBJECT.

THE FEELING COMES AS A SURPRISE TO THE AMERICAN. FOR A YEAR PAST, EVEN THOUGH HE WAS 3,000 MILES FROM ANYTHING THAT BY THE WIDEST STRETCH OF A VIVID IMAGINATION COULD BE CONSIDERED A BATTLE LINE, HE HAS BEEN SO WAR CONSCIOUS THAT IT HAS INTERFERED BOTH WITH HIS BUSINESS AND HIS DIGESTION.

HE HAD TAKEN IT FOR GRANTED THAT IN LONDON THERE WOULD BE TALK OF NOTHING ELSE. HE EVEN ASSUM

OF NOTHING ELSE. HE EVEN ASSUMED THAT AT HIS HOTEL THE FIRST

QUESTION WOULD NOT BE WHETHER HIS ROOM HAD A BATH, BUT HOW FAR WAS IT FROM THE NEAREST BOMB-PROOF.

IN ALL THAT HE WAS WRONG. WRONGER EVEN THAN CORRIGAN.

THE BRITISH, THE AMERICAN VISITOR FINDS, HAD THEIR WAR SCARE LAST SEPTEMBER, BUT THE RECOVERY WAS RAPID.

THERE ARE STILL EVIDENCES OF ITS RAVAGES. PILES OF SAND FOR FILLING BAGS REMAIN IN THE VARIOUS SQUARES, ALTHOUGH THE WEEDS NOW HAVE BEGUN TO SPROUT ON THEM.

WEATHER-WORN MOUNDS OF DIRT REMAIN BESIDE THE TRENCHES FRANTICALLY DUG IN THE PARKS. THE TOURIST MAY STIR SOME VICARIOUS EXCITEMENT IN EXAMINING THEM, BUT TO THE ENGLISHMAN BY NOW THEY ARE ONLY HISTORICAL MONUMENTS.

YOU MIGHT SAY THAT THE BRITISH ATTITUDE TOWARD WAR IN THE SUMMER OF 1939 IS MUCH LIKE THAT OF A KANSAN TOWARD A CYCLONE. HE ADMITS THERE ARE SUCH THINGS. HIS FATHER EVEN WENT THROUGH ONE THAT TOOK

THE ROOF RIGHT OFF THE HOUSE.

BUT HE HAS AN ABIDING CONFIDENCE THEY WILL NEVER STR

(MORE)

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(ADVANCE FOR AMS OF SUNDAY JULY 16)

(ADVANCE) LONDON--SECOND ADD ENGLAND PREPARES FOR WAR BY
HARRIS

BUT HE HAS AN ABIDING CONFIDENCE THEY WILL NEVER STRIKE HIM. HE
POSITIVE THEY WILL NEVER LAY BARE THE LANDSCAPE ANY NEARER THAN
MISSOURI AND THAT HE WILL SCARCELY FEEL THE BREEZE.

THERE IS THIS DIFFERENCE, HOWEVER, BETWEEN THE KANSAS ATTITUDE
TOWARD POSSIBLE CALAMITY AND THAT OF BRITAIN. THE KANSAN SELDOM
TAKES OUT TORNADO INSURANCE BECAUSE HE THINKS THE RATE TOO HIGH FOR
THE RISK. THE ENGLISHMAN, ON THE OTHER HAND, PRUDENTLY BUYS FULL
COVERAGE.

JUL 1 1939
HIS PREPARATIONS FOR THE WAR HE DOES NOT BELIEVE WILL BE
FOUGHT, TO THE VISITOR, ARE BEING CARRIED THROUGH WITH TYPICAL
BRITISH THOROUGHNESS. UNLESS, PERHAPS, IT BE GAS MASKS FOR CANARY
BIRDS, NOTHING SEEMS TO HAVE BEEN OVERLOOKED.

GROUND FLOOR WINDOWS ON SOME OF THE GOVERNMENT BUILDINGS ON
WHITEHALL, HAVE BEEN BRICKED OVER. CELLARS BELOW HAVE BEEN HEAVILY
REINFORCED. COMPLETE PLANS HAVE BEEN MADE FOR THE QUICK REMOVAL
OF THE GOVERNMENT IN THE EVENT OF EMERGENCY TO SOME REMOTE SPOT.

WORK HAS BEEN DOVETAILED SO THAT IF ANY OFFICIAL WERE REMOVED
ANOTHER COULD IMMEDIATELY STEP FORWARD TO CARRY ON HIS WORK.
PROBABLY IT WOULD BE FOUND THAT IF A SURPRISE BOMB SHOULD DEMOLISH
NO. 10 DOWNING STREET, WITHIN TEN MINUTES A DUPLICATE CHAMBERLAIN,
COMPLETE TO UMBRELLA, WOULD STEP OUT OF ANOTHER WORN BRICK HOUSE AT
THE OTHER END OF THE ISLAND.

PRIVATE BUSINESSES HAVE MADE EQUAL PREPARATIONS. SHELTERS
ENOUGH TO PROTECT ALL WORKERS ARE BEING BUILT BESIDE FACTORIES,
LARGELY AT GOVERNMENT EXPENSE. CELLARS BENEATH LONDON OFFICES ARE

BEING HEAVILY REINFORCED WITH CONCRETE WHERE RECORDS ARE BEING
PLACED AND WHERE CLERKS CAN JOIN THEM IN THE EVENT OF ALARM.

BANKS HAVE HAD COMPLETE DUPLICATES MADE OF ALL THEIR PAPERS
AND RECORDS AND PLACED THE SEPARATE SETS IN DIFFERENT PLACES.

"IT'S NOT THAT WE THINK IT NECESSARY," AS ONE BANK MANAGER
EXPLAINED, "IT'S RATHER HOW TERRIBLY EMBARRASSED WE WOULD BE IF AN
EMERGENCY CAUGHT US UNPREPARED. THERE'S NO COMPLETE PROTECTION
AGAINST BOMBS, BUT BY HAVING TWO OF EVERYTHING IT'S UNLIKELY THAT
BOTH WOULD BE DESTROYED."

JUL 1 1939
THE PREPARATIONS REACH EVEN INTO THE HOMES. IN THE CLOSET
THERE ARE GAS MASKS WHICH USUALLY DON'T FIT FOR EVERY MEMBER OF
THE FAMILY. IN THE CELLAR THERE IS A WEEK'S EXTRA SUPPLY OF
TINNED GOODS. IN THE BACK YARD BESIDE THE GARDEN IS A HUT
OF CORRUGATED IRON COVERED WITH EARTH WHICH THE GOVERNMENT OPTIM-
ISTICALLY HAS DECLARED TO BE FAMILY SIZE BOMB PROOF.

JUL 17 1939
NEIGHBORHOODS, TOO, HAVE BEEN ORGANIZED. THE GOVERNMENT HAS
WAGED AN INTENSIVE SELLING CAMPAIGN TO ENLIST MEN IN EACH BLOCK AS
A.R.P., OR AIR RAID PROTECTION WARDENS. IN THE EVENT OF CRISIS IT
WOULD BE THEIR DUTY TO PUT OUT FIRES, ADMINISTER FIRST AID TO THE
WOUNDED, CLEAR ROADWAYS, AND DIG THE ENTOMBED OUT OF CELLARS.

CAREFULLY WORKED OUT PLANS ALSO CALL FOR THE SPEEDY EVACUATION
OF SOME HUNDREDS OF THOUSANDS OF THE MILLIONS WHO LIVE IN WHAT HAS
BEEN DESIGNATED AS THE DANGER ZONE OF LONDON. CHILDREN COME FIRST.
ARRANGEMENTS HAVE BEEN MADE, APPARENTLY ON THE ASSUMPTION THAT AIR
RAIDS WOULD COME CONVENIENTLY DURING THE DAYLIGHT HOURS, FOR THE
BOYS AND GIRLS TO BE MARSHALLED BY THEIR SCHOOL TEACHERS INTO SPECIAL
TRAINS WHICH WOULD WHISK THEM TO DESIGNATED PLACES IN THE NEARBY
COUNTRYSIDE.

1555

WOMEN AND MEN ENGAGED IN NON-ESSENTIAL OCCUPATIONS, UNDER THESE EVACUATION PLANS, WOULD FOLLOW ON LATER TRAINS. IN THE MATTER OF A DAY OR TWO, IF THE PAPER PLANS WERE CLOSELY FOLLOWED, A MILLION PERSONS COULD BE MOVED TO RELATIVE SAFETY.

TO DRAMATIZE THE NEED FOR ALL THESE PREPARATIONS, AIR RAID DRILLS ARE HELD. AT AN ANNOUNCED HOUR ALL TRAFFIC IS BLOCKED OFF FROM A SECTION OF THE CITY. PLANES ROAR OVER. SIRENS SOUND. SMOKE BOMBS ARE SET OFF. FIRE WARDENS CLIMB LADDERS AND SQUIRT HOSES. VOLUNTEER WOUNDED ARE BANDAGED AND HAULED AWAY ON STRETCHERS. CROWDS GATHER TO CHEER THE SHOW.

THESE CROWDS, THE AMERICAN VISITOR NEW TO LONDON BEGINS TO SUSPECT, GIVE THE KEY TO THE WHOLE PICTURE. ALL THESE PREPARATIONS FOR WAR, PRINCIPALLY FROM THE AIR, ARE A SORT OF A GAME AS FAR AS THE AVERAGE BRITISHER IS CONCERNED. NOT AS GOOD AS CRICKET OR FOOTBALL, PERHAPS, BUT STILL AMUSING IN ITS WAY.

TRUE, THERE ARE, PERHAPS, TEN PERCENT WHO HAVE MADE THEIR WILLS AND TREMBLE WHENEVER THEY HEAR AN AUTOMOBILE BACKFIRE. BUT THE VAST MAJORITY OF THE ENGLISH PLAY THEIR PART IN WHAT SHOULD BE A GRIBUSINESS WITH MORE THAN THE TRACE OF A SMILE.

THEY DO AS THEY ARE URGED TO NOT FROM ANY SENSE OF FEAR OF DANGER

(MORE) P218AED
(ADVANCE FOR AMS OF SUNDAY JULY 16)

(ADVANCE) LONDON--SECOND ADD ENGLAND PREPARES FOR WAR BY HARRIS
XXX A SMILE.

THEY DO AS THEY ARE URGED TO NOT FROM ANY SENSE OF FEAR OF DANGERS TO COME BUT IN A TOLERANT SPIRIT OF HUMORING THEIR GOVERNMENT.

THEIR BACKYARD BOMB PROOFS ARE ALMOST THE JOKE OF THE YEAR.

30.24-2463

30.24-2463

BUT IF THE LONDONER'S NONCHALANCE TOWARD THE POSSIBILITIES OF WAR IS A MATTER OF SURPRISE TO AN AMERICAN, THE EXTREME NERVOUSNESS OF THE UNITED STATES OVER WORLD PROSPECTS TO THE ENGLISH IS COMPLETELY ASTOUNDING. WITH ONE EXCEPTION THEY FIND IT LAUGHABLE. THE TOURIST AGENCIES ARE AN EXCEPTION.

TIME WAS WHEN AMERICANS WERE MUCH MORE LIKELY TO FIND FRIENDS ON THE HAYMARKET IN LONDON THAN THEY WERE AT A HOME STATE PICNIC IN LOS ANGELES. IN PAST YEARS IT WAS NECESSARY TO STAND IN LINE FIFTEEN MINUTES FOR MAIL AT THE AMERICAN EXPRESS. BUT NO MORE.

THE AMERICAN INVASION OF EUROPE WHICH WAS ONE OF THE BY-PRODUCTS OF THE BOOM OF THE '20'S NOW IS ONLY A MEMORY. THE TOURIST FROM THE STATES DWINDLED IN NUMBERS DURING THE DEPRESSION, BECAME SOMEWHAT MORE NUMEROUS WITH THE RECOVERY, BUT TODAY HAS RELATIVELY VANISHED. LAST YEAR THERE WERE FEW, AND THIS YEAR FROM ALL INDICATIONS THERE WILL BE EVEN FEWER.

THE MEN IN THE TOURIST AGENCIES STAND IDLY BEHIND THE COUNTERS, GAZING VACANTLY AT THEIR FELLOWS AND AT THE POSTERS OFFERING GAY VACATIONS IN THE TYROL ON THE OPPOSITE WALL.

"I CAN'T UNDERSTAND IT," SAID ONE OF THEM. "ALL OF YOU STAY HOME OUT OF FEAR BUT CONDITIONS ARE UTTERLY NORMAL OVER HERE."

(END SUNDAY ADVANCE, SENT JULY 8)

P226AED

BY DEWITT MACKENZIE

ASSOCIATED PRESS FOREIGN AFFAIRS EDITOR

NEW YORK, JULY 17--ROME REPORTS OF GERMAN-ITALIAN DISCUSSIONS OVER AN ITALIAN OFFER OF PORT CONCESSIONS TO GERMANY AT TRIESTE, IN RETURN

1939

FOR MORE GERMAN TRADE THROUGH THE ADRIATIC SEAPORT, HAS FOCUSED NEW ATTENTION ON A PROBLEM THAT OFTEN HAS BEEN DISCUSSED IN EUROPE.

INFORMED OBSERVERS HAVE LONG BEEN LOOKING FOR JUST SUCH A DEVELOPMENT.

WHEN I WAS IN CENTRAL EUROPE AND THE BALKANS NOT SO LONG AGO, WELL POSTED CIRCLES REGARDED IT AS INEVITABLE THAT GERMANY WOULD IN ONE WAY OR ANOTHER TRY TO PERSUADE ITALY TO TURN TRIESTE OVER TO GERMANY. EXPERT OBSERVERS REGARDED IT AS SIGNIFICANT THAT FORMER AUSTRIAN AND GERMAN TRADE WHICH USED TO PASS THROUGH THE PROSPEROUS PORT WAS BEING DIVERTED TO HAMBURG IN SUCH DEGREE AS TO THREATEN THE ECONOMIC LIFE OF TRIESTE, WHICH WAS A PART OF AUSTRIA-HUNGARY BEFORE THE WORLD WAR.

ITALY, CENTRAL EUROPE AND THE BALKAN PENINSULA WERE WATCHING THIS REMARKABLE TREND OF AFFAIRS WITH TENSE INTEREST. SOME INDEED VIEWED IT WITH CONSIDERABLE ALARM. FOR THE GENERAL BELIEF WAS THAT THE NAZIS WERE DELIBERATELY PUTTING THE "SQUEEZE"; 9, 5483'33.

MANY FOLK IN YUGOSLAVIA WERE WORRIED OVER THE DEVELOPMENT. THIS GREAT BALKAN COUNTRY POKES ITS HEAD RIGHT UP BETWEEN GERMANY (AUSTRIA) AND ITALY, JUST BESIDE TRIESTE. BELGRADE FIGURED THAT IF BY ANY ODD CHANCE THERE WAS AN ARGUMENT BETWEEN BERLIN AND ROME OVER POSSESSION OF TRIESTE, YUGOSLAVIA WOULD BE IN A MOST UNCOMFORTABLE POSITION.

THE ANCIENT PORT OF TRIESTE HAS ONE OF THE WORLD'S BEST HARBORS AND IS A STRATEGIC PRIZE, IN THAT IT IS A NATURAL ROUTE TO THE VAST MEDITERRANEAN ZONE AND THE FAR EAST, FOR TRADE FROM CENTRAL EUROPE. AUSTRIAN COMMERCE ALONE THROUGH TRIESTE USED TO RUN TO A MILLION TONS A YEAR.

IT ALSO WAS THE CHIEF PORT FOR MUCH OF GERMANY'S TRADE TO THE MEDITERRANEAN AND THE ORIENT. TRIESTE TOO WAS ONCE THE CENTER OF A BIG EMIGRATION FROM AUSTRIA TO AMERICA.

THE VALUE OF TRIESTE FOR NAVAL AND MILITARY PURPOSES IS OBVIOUS. TRIESTE WAS AUSTRIAN FOR 500 YEARS--BARRING TWO BRIEF INTERVALS WHEN NAPOLEON HELD IT--UNTIL ITALY WAS AWARDED IT AFTER THE WORLD WAR. IT WAS ONE OF THE BRIGHT GEMS IN THE AUSTRO-HUNGARIAN CROWN.

NOT ONLY IS THIS CITY OF SOME 225,000 INHABITANTS A GREAT SHIPPING FUNNEL FOR THE MEDITERRANEAN, BUT IT HAS MANY INDUSTRIES. IT HAS IMPORTANT SHIP-BUILDING ESTABLISHMENTS, PETROLEUM REFINERIES, IRON FOUNDRIES, CHEMICAL MANUFACTORIES, SILK AND COTTON SPINNING, DISTILLERIES, STEEL WORKS--AND A LOT MORE.

SHOULD GERMANY ACTUALLY ENTER INTO THE TRIESTE PICTURE IT MIGHT PUT AN ENTIRELY NEW COMPLEXION ON THE BROTHERHOOD BETWEEN HITLER AND MUSSOLINI, FOR THE ADRIATIC AND MEDITERRANEAN HAVE BEEN REGARDED AS IN IL DUCE'S SPHERE OF ACTIVITY IN THE PARTNERSHIP. IT WAS ONLY LAST MARCH THAT MUSSOLINI IN SPEAKING OF ITALIAN INTERESTS DECLARED:

"WHEN WE SAY THE MEDITERRANEAN, WE NATURALLY INCLUDE THE ADRIATIC IN WHICH ITALY'S INTERESTS ARE PREDOMINANT."

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DANZIG SEES HITLER READY TO HELP CITY

Nazi Newspaper Now Links
Port and Corridor as
One Problem.

PRUSSIAN TRUCKS ENTER CITY

Ironside Mapping Strategy With Poles as Berlin and London Express Hope of Peace.

FREE CITY OF DANZIG, July 18 (AP) P.M.—Danzig is sure that Hitler stands beside the Free City and that he is ready to fulfill without reservations all his assurances of help to Danzig in the attainment of its goal, an influential Nazi leader of Danzig said tonight.

He made this assertion after a day of conferences among Danzig Senators and Nazi leaders who discussed developments at Munich and Berchtesgaden when Fuehrer Hitler received the Danzig Nazi leader, Albert Forster.

Danzig remains firm despite threats which may be emanating from England," said this Nazi spokesman.

At the same time the Nazi newspaper in Danzig, Verposten, said settlement of the "Danzig and Corridor problems" was impossible by negotiation at the present time, significantly linking the Danzig problem with that of Pomorze, the Polish corridor.

Arthur Karl Greiser, president of the Danzig Senate, and other members of the Free City Government met at the Senate Building earlier in the day to discuss the next steps to bring about reunion with Germany.

Forster, who returned by plane last night, was not present at today's meeting but he was known to have conferred with party and Government leaders last night on suggestions he brought back from Germany. He is not a member of the Government.

Press officers said that members of the Senate, the ruling body in Danzig, would discuss any changes in Danzig-Poland relations resulting from last week's conferences at Munich and Berchtesgaden between Adolf Hitler and Albert Forster, Danzig district Nazi leader. Officials, however, would not say whether the Senate had been called into session formally.

Forster, who returned by plane last night, was not present at today's meeting but he was known to have conferred with party and Government leaders last night on suggestions he brought back from Germany. He is not a member of the Government.

Prussian Trucks Sighted

Shortly before the homecoming of the Nazi leader, observers on a highway leading into Danzig from Marienburg, East Prussia, counted forty military supply trucks being driven by men in uniform into the Free City. Neither the nature of the cargo, nor the precise destination of the truck train was known.

In official quarters it was said that the Nazis in Danzig were much encouraged by messages brought back by Forster and that Danzig's position was greatly strengthened.

An editorial in the Nazi newspaper Vorposten said:

"After the visit of Forster to Hitler the Free City has once more reason to believe firmly in the eventual return of Danzig to the Reich.

"We are also in a position to repudiate rumors that any compromise formula which might be prepared in Poland for solution of the Danzig and corridor problem would have any chance of success.

"We repeat that the generous offer of Hitler to Poland was made only once and it must be obvious to every political realist that Polish impertinence is not a good basis for any new negotiations. The attitude of Berlin toward Warsaw is cold as ice and as firm."

Outwardly Danzig preserved her usual quiet.

Ironside Begins Talks

WARSAW, July 18 (A. P.).—Major-Gen. Sir Edmund Ironside began today the task of co-ordinating Polish and British military strength in long talks with Marshal

Edward Smigly-Rydz, commander-in-chief of Polish armed forces, and War Minister Gen. Tadeusz Kasprzak.

Gen. Ironside, Inspector-General of British overseas forces, also was to confer with Foreign Minister Col. Joseph Beck on the political-military aspects of the present situation in eastern Europe.

The Polish press displayed a new surge of confidence that the visit of Gen. Ironside, who flew here from England yesterday, would

have a decisive influence by serving as a new warning to Germany. The conservative newspaper Czas wrote that "Gen. Ironside represents, in a way, not only Great Britain but also France, in that the purpose of his visit is to co-ordinate military strength."

750,000 Poles Under Arms

The Polish Army has had some 750,000 men on a war footing for almost four months and official say the country could place 2,000,000 men between 18 and 35 in the field with another 2,000,000 in reserve.

The important question is how Great Britain would fulfill her pledge of assistance, if Poland found it necessary to defend her independence.

Because of Poland's geographical position, it would be difficult to send British troops to this country, and this form of assistance is not actively considered. On the tactical

side, however, there is the matter of "diverting" offensives, which in a war with Germany would take pressure off Poland by forcing the Reich to use a part of her forces on other fronts. It was believed that Gen. Ironside would discuss the possibilities of such offensives on other fronts and their co-ordination with Polish defensive movements.

A popular assumption is that one form of direct assistance from Great Britain would be in aviation replacement.

Berlin Hopeful of Peace

BERLIN, July 18 (A. P.).—A Government spokesman said today that German officials believed that the Danzig question was steering up the direction of a peaceable solution.

"By 'solution' you can mean only the incorporation of Danzig in the Reich," one correspondent observed.

"Our position on this question and our intentions are so well known that further restatement is unnecessary," was the rejoinder.

The spokesman's attention next was called to rumors that Hitler might be declared the Chief of State of Danzig.

"We don't propose to fall back into the practices of royalty, when after the King's or Emperor's name came also all his other titles, such as Grand Duke this or Margrave that," the official commented.

"Besides, for our Fuehrer to assume also the title of Chief of the Danzig State would mean recognition of a status—two distinct political entities—to which we object."

"From our viewpoint Danzig should be part of the Reich."

The spokesman denied that negotiations of any kind were going on at present with Poland.

Poles Deny Any Negotiations

WARSAW, July 18 (A. P.).—Polish official circles, denying firmly that any negotiations were under way or contemplated on the question of Danzig, tonight reiterated that any gesture toward negotiations must come from Berlin.

Furthermore, it was said, any negotiations must be along the lines enunciated by Foreign Minister Josef Beck before the Polish Parliament May 4. This would involve joint Polish and German protectorates over Danzig and increased technical facilities for German transport through Pomorze.

Circles close to the Foreign Office made today what was regarded as a fresh warning to Germany, declaring that any attempt to "violate the existing political and legal status of Danzig" would meet with "decisive action on the part of the Polish Government." Although the statement was not official, it was regarded as reflecting official Polish opinion.

Meanwhile the Inspector general of British overseas forces, Maj-Gen. Sir Edmund Ironside, conferred with Polish military leaders, including Marshall Edward Smigly-Rydz, commander in chief of Polish armed forces. He was the dinner-guest tonight of the marshal. Gen. Ironside also talked with Beck today.

Berlin Believes Britain Will Refuse To Go To War

By LOUIS P. LOCHNER

Associated Press Correspondent

Berlin, July 18.—A hush in German-Polish recriminations coupled with expressions of optimism in German official quarters, timed tonight to indicate that some how the Danzig

question was being taken out of the stagnant into the active state again.

Inquiry failed to produce a concrete answer to the question: Why this optimism? But circumstantial evidence pointed to these factors in the situation:

Coldness persists between Germany and Poland, the nations primarily interested in the future of the Free City.

Germany cannot help but notice that British Prime Minister Neville Chamberlain seems to be making no progress in negotiations with Soviet Russia for a mutual-aid pact.

Therefore Germans believe that Britain, a nation of realists, will decline to help Poland retain her hold on Danzig.

Optimistic Spirit

Berlin contributed to manifestations of optimism concerning the Danzig issue—which came from many European centers. A Government spokesman said official belief here was that the Danzig question was "steering in

the direction of a peaceable solution. "We are very optimistic," he added, but would not be more specific.

A correspondent asked whether "solution" could mean anything else but incorporation of Danzig in the Reich, and drew the reply:

"Our position on this question and our intentions are so well known that further restatement is unnecessary." Adolf Hitler has said that Danzig must return to Germany.

Warning To England

Dienst Aus Deutschland, commentary service which usually reflects official opinion, published this warning:

"England can improve her own political and moral position only . . . by ceasing to support the Polish viewpoint one-sidedly."

The same service commented: "In Berlin no possibility is seen of conducting negotiations with Poland on a basis that gives some measure of promise for success."

Competent observers of the German political scene expressed belief that Hitler still is convinced that Britain will not fight to keep Danzig out of the Reich. This conjecture may be wrong, but the fact remains that optimism regarding Danzig is the mood of the hour in official Germany.

Says Britain Can Be Ruthless

Dr. Robert Ley, leader of the German Labor Front, told Nazi workers that Britain was ready to make Germany and Italy docile "with a ruthless and brutal blockade" if these nations failed to subject themselves to British leadership.

"We know these sadistic methods," he wrote in *Der Angriff*, the newspaper of Propaganda Minister Paul Joseph Goebbels and the labor front.

"We know with what ruthlessness England—these pious people from the Archbishop of Canterbury to the most godless Communist—carried through the blockade of the World War with all her means."

"England would do the same today." Ley asserted Britain had "purchased" Poland "as cannon fodder" and "would like to purchase Russia if possible."

"What have the English to do in Danzig, Gibraltar and Malta?" Dr. Ley asked. "Aren't these cities German, Spanish and Italian?"

Danzig Nazi Insists On Union With Germany

Free City of Danzig, July 18 (A. P.).—An influential Danzig Nazi party leader declared tonight that "blustering and threats on the part of England" would not shake the determination of Danzig Nazis to bring about the political union of the Free City with Germany. The statement followed day-long conferences of Danzig Senators and

political leaders, who discussed instructions brought back by Albert Forster, Danzig Nazi leader, from last week's conferences with Adolf Hitler. This firm expression of the Nazi at-

titude coincided with publication of an editorial by the Nazi newspaper Vorposten, which declared settlement of the Danzig and Corridor problems by negotiations "is impossible at the moment."

Two Issues Are Linked

It was held significant that the "Danzig and Corridor problems" now were regarded as one. Besides the return of Danzig, Germany has demanded of Poland a right of way across Pomorze, the Polish Corridor, to connect Germany proper with East Prussia.

"After the talks between Hitler and Forster Danzig Nazis are more hopeful than ever that they will achieve their goal, which is political union of the Free City with the Reich," the Nazi leader said.

"It was agreed also that the protective measures taken by Danzig are sufficient safeguard against any surprise action which might be undertaken by Poland."

The "protective measures" referred to have been described officially as being the reinforcement of Danzig's police force.

Agree On Policies

"It was established also," the Nazi leader continued, "that policies of National Socialists of Danzig and of Germany are in complete agreement. Danzig is sure that Hitler stands beside the Free City and that he is ready to fulfill without reservations all his assurances of help to Danzig in the attainment of its goal."

"Danzig remains firm despite threats which may be emanating from England."

Members of the Free City Senate, ruling body of Danzig, discussed the situation informally for several hours, but apparently no resolutions for immediate action were taken.

Poland Asserts Moves Must Come From Berlin

Warsaw, July 18 (A. P.).—Polish official circles, denying firmly that any negotiations are under way or contemplated on the question of Danzig, tonight reiterated that any gesture toward negotiation must come from Berlin.

Furthermore, it was said, any negotiation must be along the lines enunciated by Foreign Minister Colonel Joseph Beck before the Polish Parliament May 4. This would involve joint Polish and German protectorates over Danzig and increased technical facilities for German transport through the Polish Corridor.

Britain on Guard for Raids

LONDON, July 18 (A. P.).—Anti-aircraft guns and searchlights are spread throughout Great Britain and are on guard day and night, War Secretary Leslie Hore-Belisha said tonight. Speaking at the inaugural dinner of the London Welsh anti-aircraft unit, Hore-Belisha said the guns were spread in a wide checkerboard alongside farm buildings in hills and lowlands.

David Lloyd George, Britain's war-time Prime Minister, told the gathering that "the menace impending over the world at this moment" was like a smouldering peat fire, likely to flare at any moment.

"You see occasional wisps of smoke to show that the danger is still there," he said, adding that if war came Britain was ready to "defend this island against aggressors, from whatever quarter of the skies they may come."

Three years ago, the anti-aircraft army was 6,000 strong, but "it is now 12,000 strong," Hore-Belisha said.

Zog and Queen at Stockholm

STOCKHOLM, July 18 (A. P.).—Exiled King Zog and Queen Geraldine of Albania and their entourage arrived today to pass several days en route to France.

LONDON, JULY 18 (AP)—A CALMER VIEW OF THE INTERNATIONAL SITUATION WAS REFLECTED TODAY IN BRITISH CIRCLES AND THERE WAS ONE OUTRIGHT FORECAST THAT "THERE WILL BE NO EUROPEAN WAR INVOLVING BRITAIN THIS YEAR."

JUL 19 1939

WHEAT, A PRIME WAR COMMODITY, FELL TO THREE SHILLINGS, SEVEN AND THREE-EIGHTHS PENCE—THE LOWEST RECORDED PRICE SINCE 1932—ABOUT 50

CENTS A BUSHEL.

MARKET EXPERTS SAID BIG BUYERS APPARENTLY WERE HOLDING OFF FOR STILL LOWER PRICES AS NEW WHEAT POURED INTO ALREADY OVERSTOCKED GRANARIES.

MAJOR VERNON BARTLETT EXPRESSED SOMEWHAT THE EXPANDING BRITISH CONFIDENCE WITH A QUESTION YESTERDAY IN THE HOUSE OF COMMONS--WHETHER THE NATIONAL SLOGAN, "WE MUST BE PREPARED" MIGHT NOT NOW BE CHANGED TO "WE ARE PREPARED" IN VIEW OF THE "SATISFACTORY STATE OF OUR PRESENT ARMAMENT."

SIR JOHN ANDERSON, LORD PRIVY SEAL AND MINISTER OF CIVILIAN DEFENSE, ANSWERED, "WE ARE PROUD OF THE RESPONSE WHICH HAS ALREADY BEEN MADE TO THE CALL TO NATIONAL SERVICE" BUT "THE TIME HAS NOT YET COME WHEN OUR EFFORTS CAN BE RELAXED."

UNDER A FRONT-PAGE HEADLINE, "PEACE," AND IN ITS EDITORIAL COLUMNS THE LONDON DAILY EXPRESS RECALLED ITS PREDICTION DURING LAST YEAR'S CRISIS THAT THERE WOULD BE NO WAR, ASSERTING: "THERE WAS NO WAR LAST YEAR AND THERE WILL BE NO EUROPEAN WAR INVOLVING BRITAIN THIS YEAR EITHER."

THE AGREEMENT BETWEEN REICHSFUEHRER HITLER AND PREMIER MUSSOLINI ON ITALIANIZATION OF THE ITALIAN TYROL, WITH THE GERMANIC INHABITANTS PERMITTED TO MOVE INTO GERMANY, LED THE TIMES OF LONDON TO COMMENT:

"THIS PROVES BEYOND QUESTION THE OPPORTUNIST CHARACTER OF HITLER'S POLICY IN REGARD TO GERMAN MINORITIES.

"IF HE DESIRES A POLITICAL SETTLEMENT THEN HE IS QUITE WILLING TO COMPROMISE WITH THE MUCH VAUNTED RIGHT OF SELF DETERMINATION JUST AS HE IS READY TO REPUDIATE IT ALTOGETHER WHEN IT HAPPENS TO OPERATE IN FAVOR OF ANOTHER RACE."

ON THE TENSION SIDE OF THE LEDGER WAS NEWS FROM THE FREE CITY OF DANZIG THAT 40 MILITARY SUPPLY TRUCKS, THEIR CARGOES CONCEALED, WERE DRIVEN IN FROM ADJOINING EAST PRUSSIA LAST NIGHT.

THE TRUCK TRAIN REACHED DANZIG SHORTLY BEFORE THE HOMECOMING OF THE NAZI DISTRICT LEADER, ALBERT FORSTER, FRESH FROM CONFERENCES WITH HITLER. FORSTER WOULD NOT COMMENT ON REPORTS HE HAD BROUGHT BACK A "DEFINITE PLAN" FOR REUNION OF THE FREE CITY WITH GERMANY.

U346AD

LONDON - 1ST ADD BRITISH X X X WITH GERMANY.

VERNON BARTLETT, INDEPENDENT MEMBER OF PARLIAMENT AND WRITER ON FOREIGN AFFAIRS, SAID IN THE LIBERAL NEWS CHRONICLE TODAY THAT THERE WAS NO EVIDENCE THAT GOSSIP OF IMPENDING DANZIG NEGOTIATIONS HAD ANY OBJECT OTHER THAN TO WEAKEN POLISH RESISTANCE.

THIS MUCH, HE SAID, WAS CERTAIN:

THAT RELUCTANCE OF BRITAIN TO GRANT AS LARGE CREDITS AS POLAND WANTED HAD LED TO A CERTAIN DEFEATISM IN WARSAW AND "SUGGESTS AN UNWILLINGNESS IN ENGLAND EVEN TO FIGHT TO THE LAST POLE";

THAT MANY PEOPLE BELIEVED POLAND WAITED TOO LONG TO ACT AGAINST DANZIG MILITARIZATION, THUS MAKING IT MORE DIFFICULT TO FIGHT "ON SOME LEGAL QUIBBLE OVER WHETHER GERMANY IS RESPECTING POLISH TREATY RIGHTS IN THE FREE CITY;"

AND THAT "THE PAST RECORDS OF THE PRIME MINISTER (CHAMBERLAND) AND COL. BECK (POLISH FOREIGN MINISTER) MUST INEVITABLY GIVE MUCH MORE WEIGHT TO ANY RUMORS ABOUT APPEASEMENT THAT SUCH RUMORS WOULD OTHERWISE RECEIVE."

BARTLETT QUOTED A "VERY WELL INFORMED AND MODERATE GERMAN SOURCE" AS HINTING THAT HITLER MAY HAVE HIMSELF ELECTED STATE PRESIDENT

OF THE DANZIG SENATE, AND SINCE HE ALREADY IS AN HONORARY CITIZEN OF THE FREE CITY "IT WOULD BE DIFFICULT FOR THE POLISH OR ANY OTHER GOVERNMENT TO DO ANYTHING AGAINST THIS ELECTION."

QQ1025AED

LONDON, JULY 18--(AP)--THE NEWS CHRONICLE IN A

DISPATCH FROM WARSAW TONIGHT QUOTED MARSHAL EDWARD SMIGLY-RYDZ-CHMIELNICKI SAYING THAT "POLAND HAS DECIDED TO FIGHT FOR DANZIG EVEN IF SHE HAS TO FIGHT ALONE."

"WE WILL EXHAUST ALL METHODS OF SETTLING THE QUESTION OF DANZIG PEACEFULLY," THE MARSHAL WAS QUOTED AS SAYING IN AN INTERVIEW. "THEN IF GERMANY PERSISTS IN HER PLANS FOR AN ANSCHLUSS, POLAND WILL FIGHT EVEN IF SHE FIGHTS ALONE AND WITHOUT ALLIES." THE WHOLE NATION IS AGREED ON THIS X X X POLAND DOES NOT WANT WAR BUT THERE ARE THINGS THAT ARE WORSE THAN WAR TO US AND ONE IS THE LOSS OF OUR FREEDOM.

THE MARSHAL'S INTERVIEW WAS PUBLISHED AS OPTIMISTIC

REPORTS WERE HEARD IN LONDON THAT NEGOTIATIONS ON DANZIG MIGHT BE UNDERTAKEN SOON.

REPORTS IN BERLIN WHERE SIMILAR OPTIMISM OVER A PEACEFUL

SETTLEMENT OF THE DANZIG ISSUE WAS EXPRESSED, IT WAS NOTED THAT

BRITAIN HAD MADE LITTLE PROGRESS IN NEGOTIATIONS FOR A PACT

30.24-2467 30.24-2467
WITH SOVIET RUSSIA AND MIGHT REJECT THE BECK PLAN AROUND

THEREFORE FAIL POLAND IN FULL SUPPORT AFTER ALL.

IN WARSAW,
POLISH OFFICIAL CIRCLES, DENYING ANY NEGOTIATIONS WERE UNDERWAY, SAID ANY AGREEMENT MUST BE ALONG THE LINES PROPOSED BY FOREIGN MINISTER JOSEPH BECK MAY 4 WHEN HE REJECTED INCORPORATION OF DANZIG INTO THE REICH. THE POLES HAVE SUGGESTED A JOINT POLISH-GERMAN PROTECTORATE OVER DANZIG MIGHT BE A SOLUTION.

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MISC CCC 11408

LONDON, JULY 18--(AP)--EXPRESSIONS OF OPTIMISM ABOUT DANZIG CAME FROM MANY PARTS OF EUROPE TODAY AND INFORMED OBSERVERS HERE EXPRESSED BELIEF THAT MOVES TOWARD NEGOTIATIONS ON THE FUTURE OF THE FREE CITY ON THE BALTIC WOULD BE MADE SOON.

WHETHER THE FIRST OVERTURES WOULD COME FROM GERMANY, POLAND, BRITAIN OR SOME NEUTRAL QUARTER WAS NOT INDICATED. OFFICIAL DENIALS IN LONDON, BERLIN AND WARSAW THAT NEGOTIATIONS ALREADY WERE UNDER WAY WERE GENERALLY ACCEPTED.

ALTHOUGH TANGIBLE DEVELOPMENTS TO SUPPORT OPTIMISM WERE LACKING, THE FEELING THAT THE DANZIG ISSUE BETWEEN GERMANY AND POLAND WOULD BE SETTLED WITHOUT WAR REACHED THE PUBLIC IN BRITAIN AND OTHER COUNTRIES.

THIS WAS REFLECTED IN RISING PRICES ON THE LONDON STOCK EXCHANGE

1555

WHILE THE PRICE OF WHEAT, A PRIME WAR COMMODITY, FELL TO THE LOWEST RECORDED PRICE SINCE 1592 (CORRECT), ABOUT 50 CENTS A BUSHEL.

(IN BERLIN A GOVERNMENT SPOKESMAN SAID GERMAN OFFICIALS BELIEVED THE DANZIG QUESTION WAS "STEERING IN THE DIRECTION OF A PEACEABLE SOLUTION," BUT HE DID NOT DENY A SUGGESTION THAT "SOLUTION" COULD MEAN ONLY RETURN OF DANZIG TO GERMANY, AS ADOLF HITLER DEMANDS.)

SOME SOURCES SUGGESTED THAT BERLIN AND ROME HAD INSPIRED OPTIMISTIC REPORTS TO CREATE THE "CLEARER ATMOSPHERE" SPECIFIED BY PRIME MINISTER CHAMBERLAIN JULY 10 AS A CONDITION FOR DISCUSSING "POSSIBLE IMPROVEMENTS" IN THE FREE CITY'S STATUS.

IT WAS REGARDED AS SIGNIFICANT ALSO THAT THE LESSENING OF TENSION CAME ABOUT TWO WEEKS BEFORE PARLIAMENT IS DUE TO RECESS FOR THE SUMMER.

IN SOME QUARTERS WHERE IT WAS DOUBTED THAT CHAMBERLAIN HAD DISCARDED HIS SO-CALLED APPEASEMENT POLICY COMPLETELY, IT WAS RECALLED THAT JUST BEFORE PARLIAMENT RECESSED LAST JULY THE PRIME MINISTER SPOKE OPTIMISTICALLY OF THE EUROPEAN SITUATION.

SOON AFTER THE RECESS STARTED, HOWEVER, THE CZECHO-SLOVAKIAN CRISES BECAME MORE ACUTE. THEN CAME THE MUNICH SETTLEMENT.

CHAMBERLAIN AND OTHER BRITISH OFFICIALS REPEATEDLY HAVE STRESSED THE POSSIBILITY OF SETTLING THE DANZIG QUESTION BY NEGOTIATION BETWEEN GERMANY AND POLAND.

IN REAFFIRMING THE BRITISH PLEDGE TO POLAND LAST WEEK AND LINKING IT WITH THE DANZIG CONTROVERSY, THE PRIME MINISTER SAID THAT WHILE "THE PRESENT SETTLEMENT (OF DANZIG) IS NEITHER BASICALLY UNJUST NOR ILLOGICAL, IT MAY BE CAPABLE OF IMPROVEMENT." HE ADDED "IT MAY BE THAT IN A CLEARER ATMOSPHERE A POSSIBLE IMPROVEMENT

COULD BE DISCUSSED."

TWO DAYS LATER THERE APPEARED IN THE INFLUENTIAL TIMES OF LONDON AN EDITORIAL WHICH ASSUMED MORE SIGNIFICANCE TODAY. IT SAID THAT CHAMBERLAIN'S STATEMENT HAD EVOKED "A CERTAIN AMOUNT OF TEMPERATE COMMENT" AND EVEN IN GERMANY "THE OUTBURST OF VITUPERATION" WAS LESS THAN USUAL.

"IT ALMOST SEEMS AS IF REASON MIGHT BE GIVEN A CHANCE TO REVIVE," SAID THE TIMES, ADDING THAT "IT MAY PERHAPS PROVE TO BE THE GREATEST SERVICE RENDERED BY MR. CHAMBERLAIN ON MONDAY THAT HE MADE IT JUST A LITTLE EASIER FOR REASON TO BE HEARD AND FOR CONFIDENCE TO GROW."

UNRECORDED

LONDON--FIRST ADD NIGHT LEAD BRITISH XXX CONFIDENCE TO GROW."

IN SOME QUARTERS IT WAS EXPECTED THAT ANY NEGOTIATION MOVES WOULD AWAIT RECESS OF PARLIAMENT.

SOME POLITICAL OBSERVERS EXPRESSED BELIEF THAT THE PACE OF BRITISH REARMAMENT, NOW BEING PARADED PUBLICLY, TOGETHER WITH MILITARY CONFERENCES WITH BRITAIN'S NEW ALLIES, HAD INFLUENCED ADOLF HITLER IN FAVOR OF NEGOTIATION.

FOREIGN SECRETARY LORD HALIFAX RECEIVED A LONG REPORT FROM SIR WILLIAM SEEDS, AMBASSADOR TO MOSCOW, ON YESTERDAY'S TALKS IN THE SOVIET CAPITAL REGARDING THE PROPOSED BRITISH-FRENCH-RUSSIAN MUTUAL DEFENSE PACT.

THE FOREIGN OFFICE DECLINED COMMENT ON THE REPORT. IT WAS EXPECTED TO BE DISCUSSED AT TOMORROW'S CABINET MEETING.

JG532PF

PRAGUE, JULY 18-(AP)--THE EDUCATION MINISTRY DECREED TODAY THAT JEWISH STUDENTS NO LONGER MIGHT ATTEND EITHER PUBLIC OR PRIVATE GERMAN SCHOOLS IN THE PROTECTORATE OF BOHEMIA AND MORAVIA.

W603PED

BERLIN, JULY 18--(AP)-- COUNT FRIEDRICH VERNER VON DER SCHULENBURG, GERMAN AMBASSADOR TO MOSCOW, IS EXPECTED IN BERLIN NEXT WEEK, INFORMED QUARTERS SAID TODAY.

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THEY SAID THE PURPOSE OF HIS TRIP WAS NOT KNOWN.

LOS ANGELES, JULY 18--(AP)--A GIGANTIC RALLY IN HOLLYWOOD TOMORROW NIGHT WILL INAUGURATE SOUTHERN CALIFORNIA'S MORAL REARMAMENT CONFERENCE.

LEADERS IN THE MOVEMENT ANNOUNCED TONIGHT RECEIPT OF A MESSAGE FROM SIR SAMUEL HOARE, BRITISH HOME SECRETARY, READING:

"I WISH EVERY SUCCESS TO THE MOVE FOR MORAL REARMAMENT. THE MORE DIFFICULT AND DANGEROUS THE PROBLEMS OF THE WORLD BECOME, THE MORE THINKING MEN AND WOMEN ARE THROWN BACK ON THEIR INDIVIDUAL CONSCIENCES.

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"IF EACH ONE OF US ASKS THE QUESTION HOW BEST WE CAN HELP MAKE THE WORLD BETTER, THE ANSWER, WHILE ITS APPLICATION MAY VARY IN DETAIL, MUST BE THE SAME IN BOTH THE EASTERN AND WESTERN HEMISPHERES. IT MUST BE THE STRENGTHENING OF OUR MORAL FIBRES AND OUR RECOGNITION OF OUR RESPONSIBILITIES TOWARD OUR FELLOW MEN AND WOMEN.

WE1120PCS

BY DEWITT MACKENZIE

ASSOCIATED PRESS FOREIGN AFFAIRS WRITER

NEW YORK, JULY 18--ENGLAND APPLIED THE YANDBSTICK OF DEMOCRACY TO HER ARMY IN A BIG WAY OVER THE WEEK-END WITH THE INAUGURATION OF HER FIRST MODERN CONSCRIPTION CAMPS FOR THE TRAINING OF YOUNG SOLDIERS DRAWN FROM ALL WALKS OF LIFE.

WITH THE IDEA OF AVOIDING HARSH MILITARY REGIMENTATION AND THEREBY MAKING COMPULSORY TRAINING MORE PALATABLE TO A HIGHLY INDEPENDENT

30.24-2469
PEOPLE, THERE WAS A RELAXATION OF DISCIPLINARY PROCEDURE WHICH MUST HAVE APPALLED THE PROFESSIONAL SOLDIER.

THE REGULATIONS, AT LEAST AT THE OUTSET, WERE MORE LIKE THOSE OF A BOY SCOUTS' HOLIDAY CAMP THAN OF A GRIM SCHOOL TO PREPARE LADS FOR WAR. THE AUTHORITIES EVEN ALLOWED FOND MOTHERS AND FATHERS TO COME AND SEE THEIR OFFSPRING INSTALLED.

THE REAL SIGN OF A REVOLUTIONARY CHANGE, HOWEVER, CAME IN AN ORDER THAT THE RECRUITS WERE (IN EFFECT) TO BE HANDLED WITH GLOVES. THERE WAS TO BE "NO RUDENESS, BULLYING OR SARCASM."

NOW THAT LAST APPLIES IN PARTICULAR TO ENGLAND'S FAMOUS SERGEANT MAJOR, AND IN ORDER TO UNDERSTAND JUST HOW GREAT THE

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MAJOR, AND IN ORDER TO UNDERSTAND JUST HOW GREAT THE UPHEAVAL IS YOU MUST KNOW WHAT MANNER OF MAN HE IS. HE'S THE BACKBONE OF THE ARMY-- THE HARDEST BOILED, MOST EFFICIENT SOLDIER YOU COULD HOPE TO MEET IN A YEAR OF SUNDAYS.

HE'S THE ONE ON WHOSE SHOULDERS THE OFFICER IN IMMEDIATE COMMAND DUMPS HIS TROUBLES WITH A CONDESCENDING "CARRY ON, SERGEANT MAJOR." AND HE'S THE CHAP WHO HAS BULLIED TOMMY ATKINS (HE'S THE FELLER IN THE RANKS) INTO BEING THE FIGHTING MACHINE HE HAS BEEN, FOR THE SERGEANT MAJOR IS THE RING-MASTER OF THE SHOW.

THROUGH ENDLESS GENERATIONS OF BRITISH ARMIES HE HAS BEEN CREDITED WITH TYPIFYING ONE OF THE WORLD'S FINEST SOLDIERS. AND HE HAS BEEN CURSED ROUNDLY BY TOMMY ATKINS (WHEN THE SERGEANT WAS OUT OF HEARING) AS THE MOST BLANKETY-BLANK BLEEDIN' BLIGHTER WHO EVER LASHED A MAN WITH TONGUE LIKE A CAT-O'-NINE-TILAS.

SO THE AMPLE WAISTED SERGEANT MAJOR HAS BEEN THE HALL-MARK OF

DISCIPLINE IN THE RANKS. THAT DISCIPLINE HAS BEEN RIGID, THOUGH IT HAS STOPPED SHORT OF THE MILITARISM IN EVIDENCE IN SOME CONTINENTAL ARMIES.

TO NICKA THE SERGEANT MAJOR HOLD HIS HORNY HAND IN DEALING WITH THE RECRUITS REPRESENTS A STARTLING TURNOVER IN BRITISH PROCEDURE.

IT IS NOTABLE, TOO, THAT IN RECENT DAYS THERE HAS BEEN REPORTED A RELAXATION IN THE RIGIDNESS OF THE DISCIPLINE AND DRILL IN THE GREAT FRENCH ARMY, WHICH IS HELD TO BE ONE OF THE FINEST IN EXISTENCE.

HOW FAR THE BRITISH INTEND TO GO IN MAKING THINGS EASIER FOR THE RECRUITS ISN'T YET CLEAR. ONE WONDERS WHETHER IT WILL HAVE THE EFFECT OF LOWERING THE BARRIERS A BIT BETWEEN OFFICERS AND MEN, PERMITTING MORE FRATERNIZING. THE LINE BETWEEN THE TWO WAS RATHER RIGIDLY DRAWN IN THE PAST.

THE INAUGURATION OF COMPULSORY TRAINING ALSO SEES THE BEGINNING OF ANOTHER GREAT CHANGE IN ENGLISH LIFE. ALL RANKS OF SOCIETY ARE BEING DUMPED INTO THE GREAT MELTING POT REPRESENTED BY THE CAMPS FOR TRAINING OF RECRUITS.

THAT CAN MEAN NOTHING ELSE THAN A LEVELING OFF OF THE RATHER STICK CLASS DISTINCTIONS IN ENGLAND.

BRITISH EXPECT SOVIET TO SIGN TREATY SOON

Prime Minister Tells House of Commons He Hopes for Quick Action.

U. S. MOVE IS REGRETTE

President's Decision Not to

Press Neutrality Matter Is a Disappointment.

LONDON, July 19 (A. P.).—Prime Minister Chamberlain declared today he hoped to be able to announce conclusion of a British-French-Russian mutual assistance pact before Parliament recesses August 4, but he said "we certainly have not got an agreement yet." Mr. Chamberlain made his statement in reply to questions in the House of Commons on the drawn-out Moscow negotiations for such a pact. He was questioned also on the Far Eastern situation and on Danzig.

"The British and French Ambassadors in Moscow had a further meeting with M. Molotov (Soviet

Premier and Foreign Commissar) on Monday," said Mr. Chamberlain. "Their report is now being considered by his Majesty's Government in consultation with the French Government."

Laborite Hugh Dalton asked: "Are we today nearer an agreement, as a result of all these instructions and transmissions, than we were a week ago?"

"We certainly have not got an agreement yet," Mr. Chamberlain replied.

Hopes for Revision Soon.

Laborite F. C. Watkins then asked whether the Prime Minister anticipated that "the negotiations will be concluded in time to make an announcement before the House goes into recess."

"I hope so," replied the Prime Minister.

Asked by another questioner whether the Government had any information "regarding the proposal for a loan of £25,000,000 from the German Government to Rus-

sia," Mr. Chamberlain answered "No, Sir."

Laborite William Wedgwood Benn asked whether the Prime Minister had "noticed the suggestion made in the American Senate that the Brussels conference might be recalled." This was a reference to a resolution introduced in the Senate yesterday by Senator Vandenberg, urging the administration to call a conference of nine nations to pass judgment on Japan's military campaign in China. It proposed that the Brussels conference of 1937, now in recess, be recalled for the purpose.

"I have not noticed that," Mr. Chamberlain told his questioner.

Disappointed by U. S. Action.

Asked whether the Government would consider the advisability of sending detachments of British and French troops to the neighborhood of the Free City of Danzig "to make clear our determination to stand firm," there was no reply.

He asked also whether Germany had imported any heavy artillery into Danzig and Foreign Under-Secretary R. A. Butler answered that "information in the Foreign Secretary's possession does not confirm any such report."

British leaders were officially silent, but obviously disappointed by President Roosevelt's decision to abandon his fight for revision of the neutrality law during the present session of Congress. The decision, however, was not a great surprise to the Foreign Office, where it was admitted that "we had been advised to expect that the President would not try to force the issue at present."

One official said, "we have always taken the view that this is none of our business, but there is no sense in professing that we have no interest in United States neutrality legislation."

The Cabinet met, but it was considered unlikely that it discussed the American neutrality situation. The lengthy session was reliably reported to be devoted to study of reports on negotiations with Soviet Russia, Poland and Japan.

The report of Sir William Seeds, Ambassador to Moscow, told of lagging progress in negotiations for Russian adherence to the British-French mutual aid pact, now nearly four months old.

Reliable sources said the ministers also discussed negotiations over a British arms loan to Poland. The British thus far have insisted that Poland must use any loan to buy arms and other war supplies in this country; the Poles were said to fear that in an emergency Britain could not supply all their needs as quickly as might be desirable. Foreign Secretary Lord Halifax and Count Edward Raczyński, Polish Ambassador, discussed this question yesterday.

The Cabinet's foreign affairs committee also was reported to have put before the Cabinet the instructions sent yesterday to the Ambassador to Japan, Sir Robert Leslie Craigie, about the negotiations for settlement of the affair at Tientsin.

It was believed generally here that Craigie was instructed to listen patiently to Japan's complaints about British support of the Chinese but not to allow Japan to question the right of Britain to control her concession areas in China.

As the Cabinet met it was confronted by pressure for conclusion of the proposed British-French-Russian pact before Parliament recesses early next month.

Great Britain Plans Four More Defense Moves

London, July 19 (A. P.).—Amid new preparations to strengthen the defenses of Britain and her allies, Prime Minister Neville Chamberlain today launched a drive to complete vital legislation so Parliament might adjourn August 4.

The Prime Minister had a stormy day in the House of Commons, first facing a series of Opposition questions ranging over most of the international situation and then precipitating bitter criticism when he sought to cut four days off the time for debate of Government bills.

The Parliamentary opposition got little information from him beyond the fact that negotiations are going on in Tokyo concerning the Tientsin dispute and that Chamberlain hoped to

be able to announce conclusion of a British-French-Soviet mutual assistance pact before Parliament adjourns.

No Agreement Yet

"We certainly have not got an agreement yet," the Prime Minister said in response to questioning.

Military defense steps taken included:

Creation of a new military command in the important Suez Canal area.

A new flight by Royal Air force bombers over France and a hint by Air Minister Sir Kingsley Wood that similar flights might be made over Poland, Greece, Rumania and Turkey.

Announcement by the Admiralty's Parliamentary Undersecretary, Geoffrey Shakespeare, that British warships would visit Greek and Turkish ports soon and that the Government was considering such visits to Rumanian, Russian and Bulgarian ports.

At the same time, informed quarters said Britain was considering a loan to Poland in addition to credits which the Government is planning to grant for strengthening Polish defenses.

Could Buy Elsewhere

Chamberlain hinted at the possibility of a Polish loan, saying that negotiations are now going on which might result in an agreement which would require statutory authority. A loan would require Parliament's approval but granting of credits would not.

Diplomatic quarters said the question of a loan was brought into discussions to get around difficulties raised by Poland's objections to being bound to spend the entire amount of British financial aid with British firms. A loan would enable her to buy in the United States and other markets.

Laborite Arthur Greenwood, acting leader of the opposition, led the attack on Chamberlain for shortening the time to debate Government bills.

"The Prime Minister is trying to steal time which rightly belongs to his Majesty's opposition," said Greenwood. "Just as he tried to save Britain by sacrificing Czecho-Slovakia, he now tries to save his political skin by sacrificing the time of the opposition."

Greenwood brought a burst of laughter when he said:

"I cannot now in public refer to the spineless character of this Government without its being broadcast in Germany. But it is a serious thing when the mother of parliaments is asked by the majority to sacrifice the rights of the minority."

Chamberlain pushed through his motion to shorten debate time without difficulty, however. The vote was 208 to 147.

News that President Roosevelt had decided not to press for new neutrality legislation before adjournment of Congress was received in London with obvious disappointment, but there was no official comment.

The press of Berlin and Rome, on the other hand, hailed the decision as a defeat for Mr. Roosevelt.

Flight Kept Secret

The flight of nearly one hundred royal air force planes over France was kept secret until the majority of planes had returned to their bases.

A group of Blenheim bombers left their British base at 7 A. M. and returned in three hours after a circuit over Paris, Orleans and Chartres.

Another group of Wellington and Whitley bombers flew a roundtrip of 1,500 miles to the vicinity of Marseille on the Mediterranean.

Today's exercises were similar to those of July 11, when more than one hundred British planes participated as a gesture of solidarity with France.

"Middle East" Command

In the Suez Canal area move the War Office announced that Lieut. Gen. Sir Archibald P. Wavell, 56, who commanded troops in Palestine and trans-Jordan in 1937 and 1938,

will head the new "Middle East" command, which is to coordinate land defenses in event of an emergency.

War authorities said the command will include British forces in Egypt, the Sudan and Cyprus.

BENES STILL HOPES FOR CZECH LIBERTY

Reaches London With Praise for Reception Here.

LONDON, July 19 (A. P.).—Former President Eduard Benes of Czechoslovakia asserted today, on his arrival from America, that public opinion in the United States makes him entirely optimistic about the world situation.

Expressing pleasure with the receptions given him there, he added: "I am confident Czechoslovakia will one day shake off the shackles of Fascism and become free again."

Discourages Dream of Liberty.
PRAGUE, July 19 (A. P.).—Dreams of resurrection of the old Czech republic received new official discouragement today as George Havelka, Minister of Transportation of the protectorate government, urged his Czech compatriots to adapt themselves to German aims rather than nourish "unfounded hopes."

Havelka spoke over the radio in a nationwide appeal to combat a widespread whispering campaign which has accused the Bohemia-Moravia protectorate government of failing to defend rights of Czechs against Germans energetically enough.

Czech political circles interpreted Havelka's appeal to support the "realistically thinking" protectorate government as another attempt of Czech officials working under German authority to unite the population in co-operation with the Reich.

Co-operation was the first imperative demand Nazis made after liquidation of the Czecho-Slovak state and establishment of the protectorate last March 15.

Anti-Jewish Drive Sporadic
Anti-Semitism, one of the Nazi mainstays in the Reich, is more sporadic in the protectorate. A number of synagogues have been burned.

Organizers of the movement are found chiefly among Czech Fascists, a group of whom forced Jews to flee in bathing suits from the swimming pool of a Sokol organization in Oelmuetz yesterday.

A Prague decree of June 21 that Jews must register holdings in bonds, stock and real estate was fol-

lowed yesterday by an ordinance that Jewish students no longer may attend either public or private German schools in the protectorate.

"Forget the Past"
Official efforts are being made to persuade Czechs and Germans to "forget the past."

Thus the German language newspaper Der Neue Tag demanded the renaming of such landmarks and streets as the Wilson and Masaryk railway stations and Reich and Hoover Streets.

The Czech paper Narodni Politika reported a special renaming committee had been chosen.

Danzig Arrests 20 As Foes of Reich Reunion

New Political Police Charge 'Marxists' With Treason; Army Activity Increases

DANZIG, July 19 (A. P.).—Danzig's new political police, the Free City's counterpart of the German Gestapo, (Secret political police), smashed today what Nazis described as a ring of "Socialist dynamiters." The drive to crush remnants of any opposition to the local Nazi government coincided with announcement that the police force had been increased to about 4,000 men on active duty.

Police said twenty "Marxists" had been jailed on charges of treason. Officers were so confident that all opposition had been overcome that they declared only three men actively hostile to the Nazi plan for re-uniting Danzig with Germany were still at large.

Authorities said the arrested Socialists were die-hards who had refused to recognize changed conditions when the Nazis became dominant in 1933. They asserted they had evidence that the Socialists had conspired to bomb bridges and public buildings in event of a clash with Poland. They added there were indications that those arrested had "relations with a hostile foreign power," and official circles made no effort to conceal an opinion that the "foreign power" was Poland.

Evidence of military activity, meanwhile, increased in Danzig. Several small detachments of helmeted men were seen in the streets. Military trucks appeared frequently, moving between barracks on the Danzig-Zoppot highways and Danzig's two hills—Bishofzberg and Hagelsberg. Several German army officers were observed on the streets, and helmeted dispatch bearers sped about on motorcycles.

It was announced that pre-war barracks, for many years occupied

by administrative offices, had been cleared to provide accommodations for additional men, and that one school and the Danzig Teachers' College buildings were being used for similar purposes.

An incident was reported in which a motorboat of the Polish Navy and a Danzig police boat were involved near Neufahr, at one of the three mouths of the Vistula River. Danzigers said the Polish boat tried to enter the harbor without giving the required notice. The police craft overhauled the Polish boat and forced it to return to the open harbor. A Polish Army colonel and a Polish diplomat accredited to Danzig were reported aboard.

But by and large Danzig appeared normal. On the streets there were about as many uniforms as are to be seen in almost any German city.

"But we are confident that the protective measures are adequate for defense against any conceivable attack," an official said. "We know that in the event of aggression from Poland we shall have to defend ourselves only a few hours before we get assistance from the German Reich."

In a message to Warsaw, the Danzig Senate complained that five carloads of Baltic Sea herring, caught by Danzig fishermen and intended for the Polish market, had been held up on a side track at the border. The Senate contended that according to treaties and established commercial practice fish caught by Danzig citizens might be shipped freely to Poland. Senate officials said tonight that Poland had promised to release the shipment.

Inside Sees Polish Troops

WARSAW, July 19 (A. P.).—Maj. Gen. Sir Edmund Ironside, Inspector General of British Overseas Forces, began today an inspection of various branches of the army which Poland holds ready for any German attempt to take Danzig and Pomorze, the Polish Corridor.

Mr. Ironside was expected to pass two more days in Warsaw, conferring with military leaders and getting personally acquainted with the Polish Army. After that he will tour industrial areas south of Warsaw. He flew from London on Monday.

TWENTY SOCIALISTS SEIZED IN DANZIG

British General Inspects Troops at Warsaw.

FREE CITY OF DANZIG, July 19 (A. P.).—The police announced today that twenty Marxian Socialists, "presumably associated with some hostile foreign Power," had

been arrested here. They asserted that the prisoners would be charged with treason.

The police said they had evidence that explosives were being stored by the "Marxians" and that the alleged conspirators were prepared to blow up bridges.

The announcement did not name the Power with which the prisoners were accused of having relations, but authorized sources said the police were trying to find out if the conspiracy extended into Poland and Russia.

Authorities said the twenty were arrested over the course of several weeks, some in the city of Danzig and some near the Polish border to the south.

Police asserted that they believed they had rounded up all but three of the ring and that the identity of the three was known.

More Police
Police also announced details of emergency measures taken since Danzig-Polish relations became acute.

They said that the Free City police force had been increased to about 4,000 men on active duty. In addition Free City authorities were authorized by special decree to conscript more men for police duty, but they said that up to now service has been on a voluntary basis.

The announcement also stated that pre-war barracks, for many years occupied by administrative offices, had been cleared to provide accommodations for additional men, and that one school and the Danzig Teachers' college buildings were being used for similar purposes.

Official quarters in Berlin said they had received word of the Danzig arrests "purely informatively" and added that "the Reich has nothing to do with it." Informed quarters intimated that the "Marxian Socialists" had entertained relations with Poland detrimental to Danzig and Germany.)

DANZIGERS SAID THE POLISH BOAT TRIED TO ENTER THE HARBOR WITHOUT GIVING THE REQUIRED NOTICE. THE POLICE BOAT OVERHAULED THE POLISH BOAT AND FORCED IT TO RETURN TO THE OPEN HARBOR. A POLISH ARMY COLONEL AND A POLISH DIPLOMAT ACCREDITED TO DANZIG WERE REPORTED ABOARD. DANZIG AUTHORITIES KEEPING A CLOSE WATCH ON POLISH MILITARY ACTIVITIES TO THE NORTH SAID THAT NEW WAR SUPPLIES HAD ARRIVED FROM ENGLAND, THAT THE POLISH STEAMER LUCON HAD BROUGHT WAR MATERIALS FROM HULL TO GDYNIA, AND THAT THE STEAMER LEVANT HAD LANDED A CARGO OF SMALL TANKS.

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LONDON, JULY 19 (AP)—PRESSURE FOR COMPLETION OF NEGOTIATIONS TO BRING SOVIET RUSSIA INTO THE BRITISH-FRENCH FRONT BEFORE PARLIAMENT RECESSES NEXT MONTH CONFRONTED THE CABINET TODAY.

OPTIMISM OVER THE DANZIG QUESTION CONTINUED IN MANY CIRCLES, BUT THE LESS HOPEFUL VIEWED SPEEDY CONCLUSION OF A PACT WITH MOSCOW AS ESSENTIAL TO BOLSTER THE BRITISH POSITION.

THESE SOURCES FELT THE MOSCOW NEGOTIATIONS COULD NOT GO ON FOR ANOTHER THREE MONTHS WITHOUT LOSING MUCH OF THEIR "DETERRENT IMPRESSIVENESS" AND EVENTUAL VALUE, AND SUGGESTED THAT IF INITIALLY

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OF A PACT COULD NOT BE ANNOUNCED BEFORE PARLIAMENT TAKES A HOLIDAY. THE PRIME MINISTER SHOULD MAKE A NEW, DETAILED STATEMENT OF THE SITUATION.

RUMORS THAT NEGOTIATION OF POLISH-GERMAN DIFFERENCES OVER DANZIG WAS ABOUT TO BE UNDERTAKEN PERSISTED DESPITE DENIALS IN AUTHORITATIVE BERLIN QUARTERS. POLISH CIRCLES WERE TERMED THE REPORTS A TYPE OF "APPEASEMENT PROPAGANDA."

IT WAS RECALLED THAT PRIME MINISTER CHAMBERLAIN, WHO ON JULY 10 REAFFIRMED THE BRITISH PLEDGE TO SUPPORT POLAND, SAID THAT IN A "CLEARER ATMOSPHERE" THE SITUATION MIGHT BE "CAPABLE OF IMPROVEMENT."

GERMAN OBSERVERS SAID ADOLF HITLER STILL WAS CONVINCED THAT BRITAIN WOULD NOT FIGHT TO KEEP DANZIG OUT OF GERMANY. THIS OBSERVATION WAS COUPLED IN BERLIN WITH REPORTS OF PRONOUNCED FOREIGN OFFICE OPTIMISM ABOUT THE DANZIG SITUATION.

PARLIAMENT IS DUE TO RECESS HERE IN ABOUT TWO WEEKS AND THE PRIME MINISTER'S OPPONENTS RECALLED THAT IT WAS DURING HIS ONE-MAN HANDLING OF THE CZECHO-SLOVAK CRISIS DURING A COMMONS HOLIDAY LAST SEPTEMBER THAT THE MUNICH AGREEMENT WAS MADE.

DOUBT STILL PERSISTED IN SOME QUARTERS THAT CHAMBERLAIN HAS DISCARDED HIS APPEASEMENT POLICY, AND THERE HAVE BEEN SUGGESTIONS THAT PARLIAMENT SHOULD BE KEPT IN SESSION THROUGH AUGUST AND SEPTEMBER IN THE ROLE OF WATCH DOG.

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PARIS, JULY 19-(AP)-SOME FRENCH QUARTERS TODAY VIEWED OPTIMISM VOICED IN BERLIN OVER THE POSSIBILITY OF A PEACEFUL SOLUTION OF THE DANZIG PROBLEM AS NAZI PROPAGANDA AIMED AT SEPARATING FRANCE AND BRITAIN FROM THEIR ALLY, POLAND.

THE INDEPENDENT NEWSPAPER L'ORDRE SAW THE REPORTS AS "BERLIN'S LATENT CHALLENGE OF A WAR OF NERVES" BUT DECLARED THAT IT

SHOWED "TREMENDOUS PROGRESS" BY THE FRENCH-BRITISH BLOC.

THE FRENCH PRESS SAID ALSO THAT GERMANS WERE TRYING TO MAKE LONDON AND PARIS DOUBT WARSAW'S REAL INTENTIONS.

"BUT TODAY THE CLIMATE IS NO LONGER THE CLIMATE OF MUNICH," SAID L'ORDRE, "AND THE MANEUVER PROVES THAT THE MASTER OF THE THIRD REICH DOES NOT WANT WAR BUT ONLY THE BENEFIT OF A VICTORY WON WITHOUT WAR."

"WHEN HE BRANDISHED HIS SWORD IT WAS A BLUFF AND AT MUNICH WE WERE BLUFFED. TODAY WE STAND PAT AND CALL HIS HAND. NOW WE FEEL THAT OUR HAND IS BETTER THAN HIS. NOW WE HAVE ONLY ONE TACTIC--TO CALL AT EVERY OPPORTUNITY."

THE RIGHTIST LE JOUR-ECHO DE PARIS SAID THAT WARSAW'S PROMPT DENIAL THAT NEGOTIATIONS WERE IN PROGRESS WITH GERMANY "SHOWED UP THE GAME OF NAZI PROPAGANDA."

"THE FUNDAMENTAL DIFFERENCE BETWEEN THIS CASE AND LAST SEPTEMBER'S CRISIS IS THAT THE POLES WILL FIGHT. HITLER WOULD LIKE TO GIVE THE NAZI CONGRESS IN SEPTEMBER A NEW VICTORY BUT HOW CAN HE DO IT IF THERE IS WAR OVER DANZIG?"

WARSAW, JULY 19-(AP)-MAJOR-GENERAL SIR EDMUND IRONSIDE, INSPECTOR-GENERAL OF BRITISH OVERSEAS FORCES, TODAY BEGAN AN INSPECTION OF VARIOUS BRANCHES OF THE ARMY WHICH POLAND HOLDS READY FOR ANY GERMAN ATTEMPT TO TAKE THE FREE CITY OF DANZIG AND POMORZE (THE POLISH CORRIDOR).

IRONSIDE WAS EXPECTED TO SPEND TWO MORE DAYS IN WARSAW, CONFERRING WITH MILITARY LEADERS AND GETTING PERSONALLY ACQUAINTED WITH THE POLISH ARMY. AFTER THAT HE WILL TOUR INDUSTRIAL AREAS SOUTH OF WARSAW. HE FLEW FROM LONDON ON MONDAY.

POLISH CAVALRY UNITS WERE TURNED OUT TODAY FOR EXERCISES BEFORE

THE VISITOR. THIS BRANCH IS ONE OF THE MOST UNUSUAL WEAPONS IN MODERN MILITARY ORGANIZATION. POLAND HAS SOME 40 REGIMENTS OF CAVALRY, NUMBERING 40,000 MEN.

THERE HAS BEEN SOME COMMENT ABROAD THAT THE POLISH AR CAVALRY, NUMBERING 40,000 MEN.

THERE HAS BEEN SOME COMMENT ABROAD THAT THE POLISH ARMY IS "TOP-HEAVY" IN THIS RESPECT AND THAT THE CAVALRY STRENGTH IS INCONSISTENT WITH THE MODERN TREND TOWARD MECHANIZED EQUIPMENT.

POLISH MILITARY EXPERTS, HOWEVER, SAY THE CAVALRY HAS BEEN ORGANIZED IN KEEPING WITH POLISH TERRAIN AND PROBLEMS OF DEFENSE. THE ORIGINAL MOTIVATION WAS DEFENSE OF THE NORTHEASTERN FRONTIER WITH SOVIET RUSSIA.

"IT MUST NOT BE ASSUMED," EXPLAINED ONE EXPERT, "THAT THIS CAVALRY WOULD BE USED IN THE OLD MANNER OF RECKLESS CHARGES AGAINST THE ENEMY."

"THE VALUE OF THE POLISH CAVALRY IS MOBILITY AND THE CAVALRYMEN ARE TRAINED AND EQUIPPED, INCLUDING EASILY PORTABLE MACHINE-GUNS, TO FIGHT AS INFANTRYMEN, BOTH ON OFFENSE AND DEFENSE."

"FOR QUICK MANEUVERING IN WOODED COUNTRY, ACROSS MARSHY FIELDS AND ON HARD TERRAIN NOT SUITABLE FOR TRUCKS AND TRACTORS CAVALRY WOULD PROVE INVALUABLE IN A WAR IN EASTERN EUROPE."

"THIS MOBILITY VALUE OF THE HORSE IS RECOGNIZED BY THE POLISH ARMY NOT ONLY AS REGARDS CAVALRY, BUT AS REGARDS LIGHT AND MEDIUM ARTILLERY."

"GERMANY TODAY IS ALSO KNOWN TO BE BUSY BUILDING UP HORSED REGIMENTS."

PAUL'S LONDON TRIP IS STUDIED IN SOFIA

Intense Diplomatic Activity In Bulgaria Reflects Interest In Trip

Diplomats Say Nation Must Be Friendly To Axis, But Is Sympathetic To Allies

Paul Knighted

London, July 19 (AP)—Prince Paul, Regent of Yugoslavia, who recently paid a state visit to Berlin, was made a Knight Companion of the Garter by King George today.

The King and Queen gave a dinner at Buckingham Palace for the Prince and Princess Olga, who arrived here Monday.

[By the Associated Press]

Sofia, July 19—Intense diplomatic activity by the leaders of Bulgaria's foreign policy indicated tonight the importance they attach to the London visit of Prince Paul, regent of Yugoslavia. Premier George Kiosseivanoff, who last week arranged with Prince Paul a virtual alliance of Bulgaria and Yugoslavia in the form of a "neutral front," conferred with King Boris and the Bulgarian ministers in London, Paris and Belgrade, and the Yugoslav and German ministers to Sofia.

Premier Kiosseivanoff escorted the Bulgarian Minister, Nicholas Momtchiloff, to the airport where he boarded a plane for a flight back to his London post.

Paul To Explain Stand

Government circles showed undisguised interest in what they called Prince Paul's "mission" in London. It was said his visit to the British royal family was an opportunity to explain to Britain and France that Yugoslavia and Bulgaria must necessarily be friendly with their "best customers," the Axis powers, and yet are sympathetic in many ways with Great Britain and France.

Conclusion of the "neutral front"

of Bulgaria and Yugoslavia—including a customs union, a common foreign policy and a reported cession of border territory by Yugoslavia and Bulgaria—caused reports to be circulated a few days ago that a "little axis" was in formation.

Such a project, to include Hungary, was said to have been leaked upon favorably by Berlin, where it was thought such an alignment would break up the Balkan Entente of Rumania, Turkey, Greece and Yugoslavia. The first three members of the Entente are included in the British-French front.

Germans Begin To Quit Tyrol Under Orders From Mussolini

Incipient Irredentist Movement Blamed For Duce's Desire To Clear Italian Frontier In Alps

By CHARLES H. GUPTILL
Associated Press Correspondent

Bolzano, Italy, July 19—The exodus of Germans has begun from this mountainous province of the Italian Tyrol astride the road over the Brenner Pass into Germany. They are leaving under Premier Mussolini's orders designed to Italianize the frontier.

Inhabitants estimate that about a hundred Germans already have gone to Germany. They are described as the "fervent Nazis" among the approximately 10,000 Germans due to leave under the new repatriation agreement between Rome and Berlin.

Rumors Of Movement

There have been rumors of an incipient irredentist movement in the Tyrol. This has been considered in foreign circles as largely responsible for the desire of Mussolini to move the German-speaking inhabitants of the Tyrol away from the frontier, thus removing a minority which might eventually cause trouble.

Evacuation is expected to take place in orderly fashion although conversations held in the course of a tour through the area indicate that the approximately 200,000 German-speaking Italians in the province still are uncertain as to what measures would be taken to uproot them.

While there have been reports that many inhabitants were disgruntled at the prospects of moving away from homes they and their ancestors have occupied for centuries—as they were at previous efforts to Italianize them

after Italy acquired the South Tyrol from Austria in the World War settlement—evidence of trouble was lacking.

Evacuation Hinted

A quick survey before Bolzano police authorities requested me to leave the province indicated the evacuation procedure still was pretty much up in the air.

The general supposition in foreign circles is that orders given to all foreigners to leave the province were intended to prevent their witnessing the manner in which evacuation eventually is to be carried out.

Many foreigners, wishing to avoid a misunderstanding or incidents, left

as soon as the police in scattered towns and villages served notice on them to evacuate.

Many, especially Germans, remained, having obtained for various reasons extensions of time from the forty-eight hours set for them to get out ten days ago.

Consular Agents Arrive

Consular representatives of Britain, France, Switzerland and the Netherlands are in the province looking after the interests of their nations, especially those owning property here.

The Italian Government is understood to have given assurances of compensation to all foreigners who are forced to dispose of their property. The manner in which this compensation is to be paid is expected to be worked out in negotiations with the British and other governments within the next few weeks.

Most of the property owners among the foreigners are Swiss, many of whom have operated hotels in the tourist area for years. Some said they intended to turn their property over to sons and daughters born here or other relatives of Italian nationality.

Few Still Entering

A few German tourists still are entering Bolzano. There were a number on the train which brought me here from Rome early this morning. While they are to be allowed to stay for

forty-eight hours, I was informed that I would have to leave by night-fall for some other part of Italy or abroad.

A German mission was expected to arrive in Bolzano within the next few days to arrange for appraisal of the property of Germans and the transfer of funds.

Italians are looking to such transfers to cut down a balance of clearings under which Germany owes Italian exporters approximately \$10,000,000. One solution would be for Germany to pay repatriated Germans for property left in Italy, in Reichsmarks which the Italian Government could convert into lire for payment of trade bills owed by Germany.

British Planes "Raid" Paris In Second Flight to France

City "Defends" Self in "Bombing" Test—
Other Craft Fly to Marseilles

LONDON, July 19 (AP).—Nearly 100 Royal Air Force planes took part today in the second of a series of extensive training flights over territory of Britain's ally, France.

Today's exercises were divided into two parts. A group of Blenheim bombers left British bases at 7 A. M., made a circuit over Paris, Orleans and Chartres and returned after three hours.

(United Press said that fifty planes staged a simulated bombing of Paris as French anti-aircraft gunners manned their posts.)

Captain Harold H. Balfour, Under-secretary of State for Air, personally flew with the second group, a

number of Wellington and Whitley bombers which flew to the Mediterranean in the vicinity of Marseilles. This involved a round-trip non-stop flight of nearly 1,500 miles.

The first British air exercises over France were carried out July 11 with more than 100 planes participating.

AIR MINISTER SIR KINGSLEY WOOD HINTED IN THE HOUSE OF COMMONS THAT ROYAL AIR FORCE BOMBERS MIGHT MAKE PRACTICE FLIGHTS OVER THE TERRITORIES OF BRITAIN'S ALLIES IN EASTERN EUROPE SIMILAR TO THOSE OVER FRANCE.

ASKED WHETHER THE GOVERNMENT INTENDED TO ARRANGE FLIGHTS TO

PARIS, JULY 19—(AP)—EIGHTEEN BOMBING PLANES BELIEVED TO BE PART OF A BRITISH SQUADRON ON A SECOND ROUNDTrip "RAID" ON FRANCE FLEW OVER PARIS THIS MORNING.

LATER ANOTHER GROUP OF 24 BOMBERS FROM THE WEST PASSED OVER EIFFEL TOWER AND HEADED SOUTH.

AIR MINISTRY SPOKESMEN AT BOTH PARIS AND LONDON DECLINED EVEN TO IDENTIFY THE PLANES.

THE FIRST FLIGHT IN A SERIES PLANNED FOR MUTUAL DEVELOPMENT

POLAND, TURKEY, RUMANIA AND OTHER COUNTRIES, HE SAID:

"I HOPE IT WILL BE POSSIBLE TO ARRANGE OTHER PRACTICE FLIGHTS IN ADDITION TO THOSE ALREADY REFERRED TO, BUT I AM NOT AT PRESENT IN A POSITION TO GIVE ANY DETAILS."

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OF BRITISH AND FRENCH FACILITY IN THE AIR AND DEFENSE AGAINST AIR ATTACK WAS EXECUTED JULY 11 WITH A FLIGHT OF MORE THAN 100 BOMBING PLANES OVER FRANCE.

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LONDON - 1ST ADD FLIGHT X X X PARTICIPATING.

PLANS FOR TODAY'S FLIGHTS WERE KEPT SECRET BY THE AIR MINISTRY UNTIL THE MAJORITY OF THE PLANES HAD RETURNED TO THEIR BRITISH BASES. THE PUBLIC'S FIRST WORD OF THE FLIGHTS CAME WHEN REPORTS REACHED LONDON THAT BRITISH PLANES HAD BEEN SEEN OVER FRANCE.

THE FLIERS THEMSELVES WERE UNDERSTOOD NOT TO HAVE KNOWN WHERE THEY WERE GOING UNTIL THEY OPENED SEALED ORDERS IN THE AIR.

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POLISH SOLDIER SHOT TO DEATH BY DANZIG MAN

**Killed Near Border of City
by Customs Official—
Tension Increases.**

VARIOUS VERSIONS ARE GIVEN

**Nazis Say Act Was Done in
Self-defense—Warsaw Calls
It Outright Murder.**

FREE CITY OF DANZIG, July 20 (A. P.).—The killing of a Polish soldier near the Danzig frontier village of Postelau this forenoon suddenly increased tension between the Free City and Poland. The Poles charged that the Polish soldier, Witold Budziewicz, was shot by a Danzig border official on Polish soil. The Free City authorities said that the Danzig Customs officer, Max Stein, had fired in self defense. Officials told widely differing stories of the incident which created great excitement at the office of the Polish Commissioner in Danzig. The account of authorities of the Nazified Danzig Government was that Stein, while patrolling near the Polish-Danzig frontier, saw a man on a bicycle riding toward him from Poland with a rifle slung over his shoulder.

Calls Act Self-defense.

At the border, the Danzigers said, the man dismounted, raised the rifle to his shoulder and released the safety catch as he aimed at the Danzig official. Stein asserted that he shot the Pole in self-defense. Danzig authorities said they were not certain the Pole was dead, but the Polish Commissioner's office reported Budziewicz died a few minutes after he collapsed at the frontier.

The Polish version was that a Danzig customs officer and two men in Danzig Storm Troopers' uniforms approached the border and without warning shot Budziewicz, who was several yards within the Polish side.

The Polish Commissioner, Marian Chodacki, conferred with Danzig Senate officials while both sides still were receiving reports from

the scene of the shooting, on the Free City district's southern frontier.

As the incident occurred, the Nazi-controlled Danzig Senate was preparing for conscription of men and wealth and taking further measures to meet emergencies which might arise from the Nazi campaign to reunite the Free City with Germany.

Senators worked on a decree which would give sweeping authority for requiring all citizens to serve the State and for the use of any private property in defense of the community.

The Free City Government already has authority under a decree to conscript men for its enlarged police force, which has been increased to 4,000 men on active duty. Defense organizations have commandeered some trucks and automobiles for public duty.

Polish Officers Arrested.

WARSAW, July 20 (A. P.).—The sentencing in Danzig of a Warsaw city official to fourteen months' imprisonment and the reported arrest by the Free City police of a Polish army officer brought a new strain today in Polish-Danzig relations.

Polish authorities in Danzig were said to be making a protest to the Danzig Senate in both cases.

The officer reported arrested was identified as a Col. Sobocinski. No reason was given for his detention. The Warsaw official is J. Golcz, director of the municipal automobile repair shops.

Golcz was arrested a week ago when, Poles said, he drove his car onto Danzig territory by mistake while supervising the testing of some new trucks on the Gdynia-Danzig highway. Allegedly found carrying a revolver, the Warsaw man was sentenced on charges of smuggling arms into the Free City.

Nazi General Warns Poland.

TANNENBERG, East Prussia, Germany, July 20 (A. P.).—Germany's army chief of staff, Col. Gen. Walther von Brauchitsch, warned Poland today that Germany does not "seek a fight, but we do not fear it." Speaking on

the scene of the battles of Tannenberg of 1410 and 1914 Gen. Von Brauchitsch declared that any claim which Poland may have to territory in East Prussia would be "a mistake which a soldier does not want to refute in mere words."

Tannenberg, some ten miles from the Polish border, was the scene of a great German victory over the Russians in the world war and of a Polish-Lithuanian victory over the Teutonic knights in 1410. Adolph Hitler is scheduled to speak here on August 27 to commemorate the victory under Field Marshal Paul von Hindenburg.

Speaks to Army Cadets.

"Over the graves and crosses of many centuries during which this soil again and again was victoriously defended, our path goes forward to the honor and greatness of our fatherland," Von Brauchitsch declared.

He was addressing 2,500 army cadets from Potsdam, Hanover, Dresden, Munich and Vienna at the structure which is at the same time a memorial to Von Hindenburg's

victory and the Field Marshal's tomb.

The gathering included the Field Marshal's son, Major-Gen. Von Hindenburg.

"In this moment and this place," Gen. Von Brauchitsch continued, "it does not seem sufficient to me to speak only of the field generalship of Hindenburg and Ludendorff (Gen. Erich Ludendorff, Von Hindenburg's chief of staff in 1914). 'This earth is old in history and what I would like to impress on you all once again is that it is old German soil. Prussian land—German land! This is a watchword on German soldiers in the year 1939. It is an answer moreover to those who would set up alleged rights in this soil, bound up in a thousand-year tradition with German ways and German history. That would be a mistake which a soldier does not want to refute in mere words.'"

(Polish territory nearest Tannenberg is Pomorze, the Polish corridor across which Hitler has demanded a German-controlled communications route linking East Prussia and Germany proper. A little to the north is the Free City of Danzig, which Germany demands be restored to her.)

POLISH OFFICIAL SHOT AT DANZIG BORDER

**Berlin Reports Customs Employee Wounded
Man in Fight—Warsaw Denies It—
Says Colonel Is Held.**

BERLIN, July 20 (A. P.).—A Danzig customs officer shot and wounded a Polish border official today near the border station of Postelau, the official German news agency, DNB, announced.

(Warsaw official circles declared German reports of the shooting were "absolutely untrue" and said nothing was known of any border incident or exchange of shots along the Danzig frontier.)

The German version was that the Danzig officer had been attacked by the Pole and was forced to defend himself.

The extent of the injuries to the Polish official was not known immediately.

An investigation was reported to be under way.

The German announcement said that the Danzig official was fired upon from Polish soil and immediately returned the fire.

When he attempted to approach the wounded Pole, it was said, two more Polish border guards appeared. The Danzig official then returned to Danzig soil to avoid further fighting and reported the incident.

Incident May Be "Localized"
WARSAW, July 20 (P.).—The slaying of a Polish frontier guard by a Danzig customs officer aroused indignation in Poland tonight, but here was evidence that the Polish

government would attempt to "localize" the incident. Officials here reserved comment, saying only that the incident was being investigated by Polish authorities at Tczew, frontier town nearest the scene.

For the last week Warsaw newspapers have not put any Danzig news on their front pages, apparently under official instruction, and today's incident was given little prominence. The Polish government apparently was trying to keep the public calm.

The influential newspaper "Kurier Warszawski" published only a brief report on an inside page. "About noon today," it read, "a Polish customs official, Witold Budziewicz, was murdered by German Nazis on Polish soil near the Danzig frontier. According to reports the crime was committed about thirty meters (about thirty-three yards) from the frontier."

POLISH GUARD SLAIN IN DANZIG CONFLICT; TENSION INCREASES

**Versions in Killing of Soldier
Differ Widely—Self-Defense
Claim Is Made by Nazis**

WARSAW STARTS INQUIRY

**Free City Official Expresses
Regret, but No Arrests Have
Been Reported as Yet**

By The Associated Press.

DANZIG, July 20.—A Danzig customs officer shot and killed a Polish soldier today near the Danzig frontier village of Postelau and officials of the Polish commission declared tonight that they would demand satisfaction from the Nazi-controlled Free City.

One Polish official said: "My government has not yet acted formally, but it would seem that we will not be appeased by a mere apology in this case."

The shooting also irritated the Danzig Nazi authorities and heightened the tension along the uneasy frontier with Poland.

More men from Danzig's strengthened police force were sent to border points.

Two Versions Far Apart

The Pole, whose name was given here as Witold Budziewicz, was shot by Max Stein, a Danzig customs inspector.

The Danzig and Polish versions of what happened still were far apart tonight.

The Danzig story was that the Pole had aimed his rifle at the customs officer from a distance of fifty feet and that the latter, on Danzig soil, fired "in indisputable self-defense."

"If Stein had not shot, he would have been a dead man now," one Danzig officer said.

The Nazi newspaper Vorposten stoutly defended Stein's conduct and said the incident "is renewed evidence of the danger brought about by the artificially stimulated psychosis of nervousness in Poland."

"But it is questionable if one may still speak of nervousness," the paper adds, "it is truer that we are confronted with deliberate Polish provocation."

The semi-official Polish explanation of the shooting said the Pole, who belonged to special border troops under the direction of the Finance Ministry, was killed by a rifle bullet while on Polish territory and about 300 feet from Danzig soil. This statement said the shooting was witnessed by the soldier's wife, by the wife of another soldier and by a fifteen-year-old boy, near the Polish community of Trzypionki.

The Polish witnesses said that Budziewicz, from his home, near his post of duty, saw two Danzig storm troopers and a Danzig customs officer cross the border. He mounted his bicycle to ask the Danzigers for their authorization to cross the frontier. The Polish statement said he dismounted about thirty feet from the men, but when he began to shout questions the Danzig customs officer, without uttering a word, raised his rifle and fired once. Budziewicz was shot in the abdomen.

Then the three fled across the field to the border and on toward the Danzig village of Postelau, where, the statement said, "forces of Danzig elite guards are building fortifications and tank traps."

Polish indignation was at a high pitch, particularly in Gdynia, but foreign observers in Warsaw expected the Polish Government to do its utmost to keep the incident from developing to dangerous proportions.

In the building of the Polish mission here Commissioner Marian Chodacki was visited several times by Danzig Senate officials.

Some Danzig Nazi leaders were observing informally that "Max Greubner has been avenged."

Poles Present Protests

Greubner, a Danzig citizen known for his Nazi convictions, was shot and killed at Kalthof, on the frontier in Free City territory, last May 21. The chauffeur of Polish Under-Commissioner Tadeusz Perkowski was accused of doing the shooting.

Nazis said the record for the two months now showed one dead on each side, but Polish officials asserted the incidents were in no way comparable.

The border incident engaged most of the attention of officials, but the Polish Mission found time to present two more protests to the Danzig Senate on other matters.

One was the charge that fifty-five Polish workers had been dismissed from jobs at Danzig's docks. The second was a complaint that Danzig officials had limited the rights of Polish inspectors, who by League of Nations' sanction are observers at Danzig's customs stations.

ASSERTS BRITISH ACTS ARE EASING EUROPE'S FEARS

Chamberlain Says Newly Regained Power Is Restoring Confidence

[By the Associated Press]
London, July 20—Prime Minister Chamberlain asserted today that "there is every indication that Britain's newly-regained power is restoring confidence to Europe and in those countries which desire to live in peace and security."

He expressed this view in a letter urging voters to support Cecil Pike, Government candidate for Parliament in a Colne bye-election.

U. S. Envoy Sees Premier
United States Ambassador Joseph P. Kennedy paid Chamberlain an unusually long visit today. The two talked for a full hour. Informed persons believed they canvassed the European situation as well as the abandonment of neutrality law revision efforts in Washington.

Prince Paul, Regent of Yugoslavia, had lunch with Chamberlain.

"We Shall Not Flinch"
"The National Government," Chamberlain said in his letter to the voters, "has made it clear to the world that it is resolutely opposed to any attempt to impose settlements of international disputes by force. While we believe that there are no problems which could not be solved by peaceful means we shall not flinch from any steps which may be necessary to carry out our solemn pledges to resist aggression."

"Our armament program, under which our defenses have attained a high standard of strength and efficiency, has not aggressive design. Its object is to safeguard our interests and those of the empire, to aid our allies and to play our part effectively in preventing war."

That Viewpoint Challenged
Some circles had a more pessimistic outlook.

Vernon Bartlett, independent member of Parliament and writer on foreign affairs, said in the *Liberal News Chronicle* that the "grudging way" in which Britain had discussed credits with Poland "nurtures doubts in Polish minds about British determination to make a stand against aggression."

He added that Bulgaria, "one of the key states of Europe," also received rather cool treatment.

Hints More Apprehension
Although Chamberlain told Parliament yesterday he hoped a pact with Russia would be concluded before Parliament adjourned, Bartlett said of the Moscow talks:

"The belief is expressed in foreign diplomatic circles that the negotiations will drag on until after Parliament has adjourned and will then lapse because the British Government would

prefer a new and very sensational attempt to come to a settlement with Germany."

Mindful of Chamberlain's drive to clean up important legislation in time for adjournment August 8, the House of Commons worked through the night and into the daylight hours today. One bill the Government wants passed is a shipping-assistance measure, considered essential to national security in time of war. It would subsidize tramp shipping, provide £10,000,000 (\$46,800,000) for loans for building cargo vessels and an equal amount for aid to liner services affected by foreign competition.

Confer on Moscow Talks

PARIS, July 20 (AP).—French and British diplomats conferred at length by telephone today on new instructions to be sent to Moscow envoys in negotiations for a tri-power pact. Informed quarters said they expected the negotiators to meet again before the week-end. Among official callers on Premier Edouard Daladier today was the German Ambassador, Count Johannes von Welczeck. The Apostolic Nuncio to France, Monsignor Valerio Valeri, conferred with Foreign Minister Georges Bonnet. The subjects of their conversation were not disclosed.

HOPE DWINDLING FOR SOVIET PACT

London and Paris Reveal Likelihood of Failure.

LONDON, July 20 (A. P.).—Official quarters in both London and Paris appeared today to be increasingly pessimistic regarding attempts to bring Moscow into their peace front.

In Paris, though officials still publicly professed optimism, diplomatic quarters were even more frank than in London in discussing possibilities of a breakdown.

A report circulated here that after the adjournment of Parliament on August 4 Mr. Chamberlain might even break off negotiations unless he saw by then some real hope of effecting an agreement. It was suggested that in such an event the Prime Minister might first make a firm, final offer to Russia.

Slovakia Jails 'Plotters'

3 of 20 Suspects Held for Cheering Czecho-Slovakia in Theater

BRATISLAVA, Slovakia, July 20 (AP).—Twenty persons are in custody charged with plotting "revolutionary activity" against the Slovak Republic.

Several young men were arrested at Turany for printing and distributing pamphlets against the government, three at the Skoda munitions works at Dubnica for passing out "revolutionary literature," and three for shouting "Hurrah for Czecho-Slovakia," at a motion picture theater.

A new police regulation provides for closing motion picture houses if crowds demonstrate against German films.

WHAT IT MEANS It's Lebensraum The Reich Demands, And That, To You, Is "Living Room"

To The Nazis, It's South-eastern Europe; Term Intended To Whitewash Policy Conquest

[By the Associated Press]
Berlin, July 20—The word lebensraum—a Nazi creation—has been taken over into the English language and into other languages, yet the word does not appear in German dictionaries.

Literally, it means "living room." It is used daily as Germany presses demands on Europe and the world. What does it actually mean?

The Homeland Plus
Here is an explanation given by one of the high-ranking Nazis whose job it is to help execute German foreign policy:

It is the national territory of any country plus such regions as a nation needs for the fundamental, peaceful maintenance of its life through the exchange of goods.

The Nazi definition thus strips the word, and the forward-march foreign policy which it indicates, of all political meaning and connects them with economic life.

U. S. Has None
The United States, according to this Nazi lexicographer, has no lebensraum beyond its national territory because it lacks only a minor number of raw materials. Great Britain's empire, on the other hand, is considered, at least in part, as a lebensraum for the British Isles.

To the Nazi, southeastern Europe, toward which Adolf Hitler has waged a relentless drive, is Germany's lebensraum. Vice versa, Germany belongs to southeastern Europe's lebensraum because those countries, in the Nazi view, need the big German market for the "fundamental, peaceful maintenance" of their peoples.

Other countries may do business in southeastern Europe, but because Germany is able to absorb more of their agricultural products than any other country, it is Germany's backyard. And other countries politically should keep hands off.

This does not mean, according to the Nazi definition, that southeastern Europe cannot be politically independent. It merely involves an exchange of products, but not an exchange for mere profit.

Colonies Included
Nazis say they agree with the Polish contention that Danzig belongs to Poland's lebensraum because it lies at the mouth of the Vistula, a Polish river. Similarly, they say that Rotterdam, in Holland, belongs to the German lebensraum because it is at the mouth of the Rhine, a German river. It does not follow, they assert, that Danzig politically belongs to Poland or that Rotterdam politically belongs to Germany.

Whether the Nazis believe that colonies also belong to their lebensraum has not yet been clearly defined.

Scandinavia does not belong. Nor do Baltic countries, Holland, Belgium, France, Switzerland and Poland. Included in German lebensraum are Hungary, Slovakia, Rumania, Yugoslavia, Bulgaria and Greece, the spokesman says.

NAZI HAND SEEN IN TYROL MOVE

Zeal of German Sympathizers Blamed by Some for Italy's Action

BOLZANO, Italy, July 20 (AP).—The Italian Government's plan to Italianize the South Tyrol was attributed today by many inhabitants of the province to the zeal of some Nazi sympathizers for the return of South Tyrol to Germany, even after Adolf Hitler's renunciation of it.

Italians accused foreigners of furiously distributing pamphlets tending to stir up ill feeling between the German and Italian populations in the district and said this was a factor in the Mussolini decision to order all foreigners out.

The alarm occasioned among Germans and other foreigners by the original report that they would have to leave Bolzano Province within forty-eight hours has subsided as it has become apparent that leniency

would be shown in enforcing departures.

Extensions were granted to Germans and others to give them time to settle their affairs. Most tourists left when police first notified them they could not remain.

Kennedy Talks To Chamberlain And Then Starts His Vacation

Trip Believed Indication That Prime Minister Is Optimistic About Conditions In Next Few Weeks

[By the Associated Press]
London, July 20—After a long talk with Prime Minister Chamberlain, Joseph P. Kennedy, United States Ambassador, tonight announced he would leave tomorrow on a short vacation in southern France.

He declined to comment on his talk at No. 10 Downing Street but the fact he is leaving London led observers to believe the Prime Minister had not been pessimistic about the next few weeks.

When asked what Chamberlain thought of the European situation Kennedy smiled and said "I don't know." He said they had spent a whole hour talking about the garden party scheduled at Buckingham Palace this afternoon.

Kennedy had intended to go to the party, but it was called off—for the first time in history—because of rain. Kennedy later telephoned Washington. He declined to say whether he had talked with President Roosevelt or the State Department.

Kennedy is going to Cannes with Mrs. Kennedy and seven of their nine children. Joseph, Jr., and Kathleen

are going to Spain for a separate two-week vacation.

In connection with the Ambassador's Downing Street visit it was recalled that the Prime Minister in a letter to a House of Commons candidate last night declared "there is every indication that Great Britain's newly regained power is restoring confidence in Europe and in those countries which desire to live in peace and security."

The *Daily Mirror* reported talk among members of Parliament that Sir Neville Henderson, British Ambassador to Berlin, "was very shortly to establish contact with Hitler and to find out just what his terms are for world peace."

Meanwhile, the British and French governments continued consultations on the next steps to be taken in efforts to form a British-French-Soviet mutual assistance pact.

There was no official indication as to what these steps might be, but diplomatic sources said France was putting pressure on Britain to accept Moscow's terms since that apparently was the only way to end long-drawn negotiations.

30.24-2477

30.24-2477

A134

LONDON, JULY 20-(AP)-THE HOUSE OF COMMONS ROSE ON A HILARIOUS NOTE AT 8:55 A.M. (2:55 A.M.E.S.T.) TODAY AFTER 17 HOURS OF WORK ON PREPAREDNESS LEGISLATION.

JUST BEFORE THE END OF THE WEARY SESSION, BRENDAN BRACKEN, CONSERVATIVE, CALLED ATTENTION TO THE FACT THAT GERMAN LEGISLATORS MADE ABOUT £200 (ABOUT \$936) MORE A YEAR THAN BRITISH MEMBERS OF PARLIAMENT AND WORKED ONLY ONE DAY A YEAR. HE ASKED WHETHER THERE WERE ANY PENSION RIGHTS.

SIR JOHN SIMON, CHANCELLOR OF THE EXCHEQUER, RETORTED THAT HE UNDERSTOOD THE GERMANS WERE MORE OBEDIENT TO THE GOVERNMENT.

(MEMBERS OF THE GERMAN REICHSTAG ARE CALLED INTO SESSION ONCE OR TWICE A YEAR TO HEAR GOVERNMENT DECISIONS.)
THE BRITISH MP GETS A SALARY OF £500 (ABOUT \$2,500) ANNUALLY.

MF1102AED
BOLZANO, ITALY, JULY 20-
WHOSE TYROLEAN MOUNTAIN
ROME-BERLIN AXIS WORRIER
FASCIST GOVERNMENT'S PLAN TO ITALIANIZE THE REGION.

THESE SOUTH TYROLESE WHO WERE AN AUSTRIAN PEOPLE BEFORE THE WORLD WAR MADE THEM ITALIAN NOW ARE GLOOMILY APPREHENSIVE THAT THEY MAY BE OUSTED FROM BOLZANO PROVINCE ALONG WITH 10,000 GERMAN CITIZENS AND OTHER FOREIGNERS WHOSE EXPULSION ALREADY HAS BEEN ORDERED.

OFFICIALLY THE TYROLESE KNOW ONLY THAT THEY WILL BE OFFERED THE OPPORTUNITY OF JOINING THE GERMAN-BORN IN BEING TRANSPORTED INTO THE REICH. BUT WHAT WORRIES MANY IS A FEAR THAT IF THEY REJECT THE

CHANCE TO BECOME GERMANS THEY WILL HAVE TO MOVE ELSEWHERE IN ITALY.

REPRESENTATIVE TYROLESE WHOSE FAMILIES HAVE LIVED HERE FOR GENERATIONS SAID THE NECESSITY OF CHOOSING BETWEEN TWO SUCH FATES WOULD BE LITTLE LESS THAN A "MASS TRAGEDY."

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U255AED

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THE ARMY'S EASTERN COMMAND FOUGHT AN IMAGINARY BATTLE WITH A SWIFT-
MOVING "FOREIGN ARMY" OF 30,000 MEN AND 2,500 MOBILE UNITS ASSUMED
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ACTING ON THE THEORY THAT A EUROPEAN WAR ALREADY HAD BEEN RAGING
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FORCE ACROSS THE ENGLISH CHANNEL, STAFF OFFICERS TESTED THE STRATEGY OF
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ED1104AED

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THE STATEMENT, ISSUED THROUGH THE OFFICIAL NEWS AGENCY, ALSO
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JUL 21 1939

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30-24-2479

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BERLIN, JULY 20-(AP)-THE DECLARATION OF COLONEL-GENERAL WALTHER VON BRAUCHITSCH, GERMAN ARMY CHIEF OF STAFF, THAT "WE ARE NOT LOOKING FOR A FIGHT BUT WE DO NOT FEAR IT" WAS EMPHASIZED TONIGHT IN THE NAZI PRESS AS A WARNING TO POLAND THAT SHE IS "BEING ENCOURAGED BY FOREIGN GENERALS."

(THE INSPECTOR-GENERAL OF BRITAIN'S OVERSEAS FORCES, MAJOR GENERAL SIR EDMUND IRONSIDE, IS HOLDING STAFF TALKS WITH POLISH MILITARY LEADERS IN WARSAW).

VON BRAUCHITSCH SPOKE TODAY AT THE TANNENBERG WAR MEMORIAL IN EAST PRUSSIA TEN MILES FROM THE POLISH FRONTIER. AT THE SCENE OF A GREAT GERMAN VICTORY OVER RUSSIA IN 1914, VON BRAUCHITSCH TOLD 2,500 ARMY CADETS THAT ANY CLAIM POLAND MIGHT MAKE TO EAST PRUSSIAN TERRITORY WOULD BE "A MISTAKE WHICH A SOLDIER DOES NOT WANT TO REFUTE IN MERE WORDS."

"OVER THE GRAVES AND CROSSES OF MANY CENTURIES DURING WHICH THIS SOIL AGAIN AND AGAIN WAS VICTORIOUSLY DEFENDED, OUR PATH GOES FORWARD TO THE HONOR AND GREATNESS OF OUR FATHERLAND," THE GENERAL DECLARED.

PROPAGANDA MINISTER GOEBBELS' NEWSPAPER ANGRIF commented:

"VON BRAUCHITSCH WITH TREMENDOUS EARNESTNESS REPEATS THE WORDS OF FREDERICK THE GREAT, 'WE MUST EITHER DEFEAT THE ENEMY OR LET OURSELVES BE BURIED BY HIS BATTERIES.'"

NACHTAUSGABE SAID THE GENERAL'S SPEECH WAS "THE GERMAN PEOPLE'S ANSWER TO POLISH WARMONGERS AND CHAUVINISTS."

ADOLF HITLER IS SCHEDULED TO SPEAK AUG. 27 AT THE SAME TANNENBERG MEMORIAL. FIELD MARSHAL PAUL VON HINDENBURG, LAST PRESIDENT OF THE

GERMAN REPUBLIC, IS ENTOMBED THERE.

"THIS EARTH IS OLD IN HISTORY," VON BRAUCHITSCH SAID TODAY. "AND WHAT I WOULD LIKE TO IMPRESS ON YOU ONCE AGAIN IS THAT IT IS OLD GERMAN SOIL."

"PRUSSIAN LAND--GERMAN LAND!"

"THIS IS THE WATCHWORD FOR GERMAN SOLDIERS IN 1939. IT IS AN ANSWER, MOREOVER, TO THOSE WHO WOULD SET UP ALLEGED RIGHTS TO THIS SOIL, BOUND UP BY A THOUSAND-YEAR TRADITION WITH GERMAN WAYS AND GERMAN HISTORY. THAT WOULD BE A MISTAKE WHICH A SOLDIER DOES NOT WANT TO REFUTE IN MERE WORDS."

BE910PED

REICH EXPECTING BRITAIN TO BACK DOWN ON DANZIG

Again Predicts Peaceful
Annexation Will Come
Within Months

Convinced English People
Shy At War And Will
Make Poles Bow

[By the Associated Press]
Berlin, July 21—Official circles expressed anew today their conviction that Germany's demand for the return of Danzig would be attained in a peaceful manner without any compromise by Germany.

The Foreign Office spokesman made effect despite admission and at a time when Danzig are trying to fix of a Polish Nazi official.

[Poles] the Danziger of shooting at the frontier without warning, but Danzig officials declared he fired in self-defense.]

"Only Matter Of Months"

German official opinion is that it is only a matter of months until Germany peacefully regains Danzig over Polish objections. Foreign Office quarters, insisting that Germany had no desire for a warlike solution, said the Nazi party convention at Nürnberg September 2-11 would live up to its title, "The Party Day of Peace."

The Foreign Office spokesman said common sense, including the realization that Danzig is a German city, was bound to prevail.

Expect Britain To Yield

The official German belief is that the people of Britain, pledged to aid Poland if her independence is threatened, have no desire to come to grips with Germany over Danzig and that before the British will exercise a winning influence over Poland by selling Danzig's return.

Poland, officials in Berlin believe, never would have been so unyielding except for British encouragement. England, therefore, could press upon Poland a settlement, they declare, and Poland would lose no prestige because the Free City admittedly is Germanic. The Danzig-Polish border killing seemed to cause little commotion in official quarters here. The belief was voiced that the incident would be closed quickly.

1933
Add - Berlin - July 21
TICE - BERLIN - JULY 21
GERMANS HOLD THAT
POLAND WOULD BENEFIT IN THE LONG RUN BY IMPROVING POLISH-GERMAN
RELATIONS THROUGH SUCH A SETTLEMENT.
JUL 22 1934

Peace Theme in Berlin

BERLIN, July 21 (A. P.).—A German Government spokesman, in

one of the most unequivocal recent utterances on Danzig, said today that Germany optimistically expects a solution of the problem favorable to the Reich, but rejects the idea of force to regain the Free City.

"Our Fuehrer is 100 per cent for peace," he said. "Now as before we expect an uncompromising solution of the Danzig situation along peaceful lines."

"Germany has not the least desire for a conflict of arms to bring about the uncompromising solution which we confidently expect. We reject 100 per cent such a warlike solution and would regret extremely if that were the only way."

Saying that Adolf Hitler clung to the definition of the Nazi party convention at Nuernberg on September 2-11 as "the party day of peace," the spokesman added: "If he did not mean it, don't you suppose we would have started to prepare the public by a press and propaganda campaign for another eventuality?"

Berlin Is Sure Danzig
Will Be Returned To Reich

By LOUIS P. LOCHNER

Associated Press Correspondent

Berlin, July 21—Nazi Germany spoke out tonight in an official statement of her Government to declare she was "one hundred per cent optimistic that there will be no war" over the Free City of Danzig.

"On the contrary," an official spokesman told the foreign press in one of the most unequivocal statements yet issued here on the Free City, "we believe in the common sense of mankind and feel sincerely convinced the Danzig question soon will be solved without compromise but also without bloodshed."

The spokesman made it obvious beyond peradventure of doubt that by an uncompromising solution he meant the unconditional return of Danzig to Germany. Germany lost Danzig under the Treaty of Versailles.

His attitude disclosed that Germany expected this solution would be attained by pressure by Great Britain on Poland.

"Not Worth World War"

"Rather than plunge all Europe into war," the spokesman said, "some power will brutally call Polish chauvinists to order and tell them Danzig is not worth a world war."

His reference to "some power" was taken as an obvious allusion to Britain which, along with France, has given a pledge of aid to Poland.

"As for ourselves," he went on, "we have not the slightest desire to provoke a crisis."

"It is obvious, however, that the present state of things cannot go on indefinitely. The solution must come, not in years, but in months and possibly weeks."

"100% For Peace"

In emphasizing Germany's pacific attitude, the spokesman said:

"Our Fuehrer is one hundred per cent for peace. . . . Germany has not the least desire for a conflict of arms to bring about the uncompromising solution which we confidently expect. We reject one hundred per cent such

a warlike solution and would regret extremely if that were the only way."

He conceded that the European air was "heavily laden with crisis possibilities."

But, in the German opinion, Poland never would have gotten into what the spokesman called her present state of patriotic and uncompromising fervor if Britain had not stiffened her back.

The minute Britain ceases to support Polish claims to Danzig, official Germany is convinced, Poland will deem it wise to come to amicable terms with her powerful neighbor.

"Quite Possible"

"A solution is quite possible—and by that I mean a peaceful solution," the spokesman insisted.

"No British or French statesman has ever denied that Danzig is German. So long, however, as it is not a part of the Reich it is a source of constant friction between the two neighbors."

"Isn't it a reasonable thing to rejoin Danzig to the Reich and compensate Poland by making favorable neighborly arrangements of various kinds? The possibilities along that line are numerous."

He predicted that Britain, as a country of realism, would press Poland to recognize Germany's demands.

So certain is Germany of ultimate British mediation, he indicated, that plans are going full speed for making the Nazi party convention September 2-11 in Nuernberg truly "the party day of peace," as it was designated by Hitler months ago.

As examples he cited mutual guarantees of boundaries, trade amelioration and improvement in general relations.

Says "Danzig Is German"

Pressed to reduce the German demand for a peaceful solution to a simple formula, the spokesman said:

"Danzig is German and belongs unconditionally to Germany."

So strong was his emphasis on Britain as the power that would convert the Poles to the German point of view that many of his listeners suspected that negotiations between London and Berchtesgaden already were under way secretly.

The spokesman pointed out that in times like these all nations are taking precautions and therefore nobody need be surprised if troop movements and the calling to colors of recruits are reported.

So far as Germany is concerned, however, he said, such movements have no sinister significance but are merely part of routine.

1933
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MOSCOW FOR A BRITISH-FRENCH-SOVIET RUSSIAN MUTUAL ASSISTANCE PACT--AND
GERMANY FIGURES TO WIN NO MATTER HOW THEY TURN OUT.

IF CHAMBERLAIN AND STALIN DO NOT COME TO TERMS--AND FEW PERSONS IN
GERMANY BELIEVE THEY EVER WILL AGREE--POLAND CANNOT BE NEARLY AS
INDEPENDENT AS SHE IS TODAY BECAUSE SHE WILL HAVE RUSSIA AS AN UN-
CERTAIN FACTOR.
JUL 22 1934

SHE MUST EVEN FIGURE ON THE POSSIBILITY THAT RUSSIA MAY REACH HER
HANDS ACROSS TO GERMANY, FAR FETCHED THOUGH THAT MAY SEEM NOW.

THE OTHER ALTERNATIVE THAT OFFICIAL GERMANY ENVISAGES IS THAT
BRITAIN AND FRANCE ACTUALLY MAY MAKE A PACT WITH SOVIET RUSSIA.

IN THAT CASE, IT IS ARGUED HERE, BRITAIN MUST MARCH THE MINUTE ANY
OF HER ALLIES OR THEIR SATELLITES BECOME INVOLVED ANYWHERE IN EUROPE.
SHE WILL NO LONGER BE A FREE AGENT. HENCE, TO AVOID HER OWN IN-
VOVEMENT, BRITAIN WILL IN THIS CASE TOO STRESS UPON POLAND NOT TO
PRECIPITATE A CONFLICT.

FOE OF NAZIS IS SENTENCED

Ex-Police Chief of Styria Must Fast Two Days Each Year

Graz, Germany, July 21 (AP)—Former Chief of Police Zelburg-Zivny, of Styria, who held office when the district was part of Austria, was sentenced today to eight years in prison after a two-day jury trial on charges of misusing his power and blackmail. He must fast two days of each year.

The prosecutor said the former chief was responsible for mass arrests of Nazis under the Government of Kurt von Schuschnigg, former Austrian Chancellor.

Adm Graz - July 21

"THE NAZI PARTY KNOWS NEITHER HATRED NOR REVENGE," THE PROSECUTOR ADDED, "BUT THIS DOES NOT APPLY FOR CRIMES COMMITTED DURING THAT (SCHUSCHNIGG) REGIME."

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JOSTENS APL 0215 TV 1028P

Austrian Governor Finally Released

LINZ, Germany, July 21 (A. P.)—Dr. Heinrich Gleissner, Governor of Upper Austria under the last independent Austrian Government, has returned to his home here after having been released from the Dachau concentration camp. He had been confined since Germany annexed Austria, March 13, 1938.

BRITISH HOPES ON DANZIG RISE

Pacific Utterance in Berlin Called Significant

NAZIS DISCLAIM WAR PLAN

Storm Troopers Increase in Free City—Poland Calm.

LONDON, July 21 (A. P.)—Pacific utterances in Berlin over the Free City of Danzig were interpreted today in Britain as a new invitation to the British Government to return to the policy of appeasement.

"Nobody ever doubted that Hitler would prefer to get Danzig without war," one British official said, "but as long as Germany insists that Danzig must return to the Reich then the situation is not too hopeful."

In Rome, Fascists said they concurred wholeheartedly in the German spokesman's statement. In Paris, officials were guarded in their comment but said they were inclined to regard the statement as a "possible change" in the situation.

The Berlin development came as talk, which was without confirmation, spread concerning overtures toward European "peace" discussions. One report was that Sir Neville Henderson, British Ambassador to Germany, might establish contact with Adolf Hitler "to find out just what his terms are for world peace."

The general feeling in Whitehall was that the Berlin statement was Germany's answer to Prime Minister Chamberlain's remark of July 10, that the Danzig situation was "capable of improvement."

Whitehall is now asking whether today's Berlin statement was Hitler's method of trying to create the "clearer atmosphere." But officials pointed out that Chamberlain specifically mentioned "possible improvements" of the Danzig situation and the view here is that incorporation of the Free City into Germany hardly is susceptible to that interpretation.

THOUGH THE OFFICIAL VIEW HERE IS THAT DANZIG'S PRESENT STATUS IS NOT PERFECT, OFFICIALS INSIST THAT IT IS "NEITHER UNJUST NOR ILLOGICAL" AND THEY SUPPORT THE POLISH CONTENTION THAT GERMANY MUST NOT BE ALLOWED TO "STRANGLE" POLAND BY CONTROLLING POLISH ACCESS TO THE SEA.

CHAMBERLAIN LAID DOWN THE BASIS OF BRITISH POLICY TOWARD DANZIG JULY 10 IN WHICH HE DID NOT RULE OUT THE POSSIBILITY OF POLISH-GERMAN NEGOTIATION OVER DANZIG.

"IT MAY BE THAT IN A CLEARER ATMOSPHERE POSSIBLE IMPROVEMENTS COULD BE DISCUSSED," HE SAID. "INDEED COLONEL BECK (POLISH FOREIGN MINISTER) HAS HIMSELF SAID IN HIS SPEECH OF MAY 5 THAT IF THE GOVERNMENT OF THE REICH IS GUIDED BY TWO CONDITIONS, NAMELY, PEACEFUL INTENTIONS AND PEACEFUL METHODS OF PROCEDURE, ALL CONVERSATIONS ARE POSSIBLE."

WHILE THE BERLIN STATEMENT WAS MAKING HEADLINES IN LONDON AFTER-NOON NEWSPAPERS, THE GOVERNMENT REPEATED A DECLARATION THAT IT HAD NOTHING TO DO WITH THE COMMANDER STEPHEN KING-HALL NEWSLETTER PRINTED HERE FOR DISTRIBUTION IN GERMANY.

GERMANS HAD CHARGED THAT FOREIGN SECRETARY LORD HALIFAX WAS SUPPORTING THE NEWSLETTER. (KING-HALL, A RETIRED NAVAL OFFICER, HAS SENT APPEALS TO "DEAR GERMAN READERS" DENOUNCING HITLER'S FOREIGN POLICY AND PREDICTING GERMAN DEFEAT IN CASE OF WAR.)

FOREIGN UNDERSECRETARY RICHARD AUSTEN BUTLER TOLD THE HOUSE OF COMMONS:

"I TAKE THIS OPPORTUNITY OF REPEATING THE CATEGORICAL DENIAL GIVEN IN THE GERMAN BROADCAST OF THE BRITISH BROADCASTING CORPORATION OF JULY 14 THAT HIS MAJESTY'S GOVERNMENT ARE IN ANY WAY CONNECTED WITH OR RESPONSIBLE FOR THESE LETTERS."

DISPATCHES FROM ROME, MEANWHILE, SAID ITALIANS CONCURRED WHOLE-HEARTEDLY IN THE GERMAN VIEW THAT THE RETURN OF DANZIG TO GERMANY COULD BE ACCOMPLISHED WITHOUT WAR.

FASCISTS HAVE BEEN ADVISING POLAND FOR SOME TIME TO AVOID TROUBLE BY LETTING GERMANY HAVE DANZIG.

A148

LONDON--FIRST ADD FIRST LEAD BRITISH X X X HAVE DANZIG.

AN ITALIAN CONVICTION THAT GERMANY WOULD REFRAIN FROM A SETTLEMENT BY FORCE WAS REPORTED WHEN THE GERMAN-ITALIAN MILITARY ALLIANCE WAS SIGNED IN MAY.

HITLER THEN WAS REPORTED TO HAVE GIVEN MUSSOLINI ASSURANCES ALONG THIS LINE.

FASCISTS CITED MUSSOLINI'S DECISION TO BREAK UP BIG LANDED ESTATES IN SICILY AND SETTLE THEM WITH SMALL FARMERS OVER A TEN-YEAR PERIOD, ANNOUNCED YESTERDAY, AS A FURTHER INDICATION THAT ITALY WISHED TO AVOID WAR.

JUL 22 1939

VIRGINIO GAYDA, AUTHORITATIVE WRITER, DECLARED IN IL GIORNALE D'ITALIA:

"ONCE MORE BY ITS OBVIOUS MEASURES FOR PEACEFUL WORK ITALY MAKES KNOWN THAT IT IS NOT THINKING OF ANY INITIATIVE SUBVERSIVE TO EUROPEAN PEACE."

GAYDA SAID ITALY, HOWEVER, MAINTAINS HER OWN CLAIMS ON FRANCE IN TUNISIA, JIBUTI AND SUEZ CANAL JUST AS GERMANY INSISTS ON HAVING DANZIG.

IN PARIS, OFFICIALS SAID THEY WERE INCLINED TO REGARD THE BERLIN DEVELOPMENT AS A "POSSIBLE CHANGE" IN THE DANZIG SITUATION BUT WITHHELD FURTHER COMMENT UNTIL FRANCE'S AMBASSADOR IN GERMANY COULD REPORT.

IN THE LONDON TALK OF OVERTURES TOWARD EUROPEAN "PEACE" DISCUSSIONS THERE WERE REPORTS CURRENT IN SOME FOREIGN DIPLOMATIC CIRCLES THAT BRITAIN MIGHT FAVOR SOME "NEW AND SENSATIONAL ATTEMPT TO COME TO A SETTLEMENT WITH GERMANY."

THERE WAS X X X ETC., 4TH GRAPH OF PREV.

UNDATED REACTION

DB114PED

BY THE ASSOCIATED PRESS

OFFICIAL GERMAN ORIGIN THAT THE DANZIG QUESTION "SOON WILL BE SOLVED WITHOUT COMPROMISE BUT ALSO WITHOUT BLOODSHED" WAS TREATED CAUTIOUSLY IN OTHER EUROPEAN CAPITALS TODAY BUT IT ADDED TO A GROWING BELIEF THAT SOMETHING WAS ABOUT TO HAPPEN.

IN LONDON IT WAS INTERPRETED AS A NEW INVITATION TO THE BRITISH GOVERNMENT TO RETURN TO THE POLICY OF APPEASEMENT. PARIS OFFICIALS SAID THEY WERE INCLINED TO REGARD IT AS A "POSSIBLE CHANGE" IN THE SITUATION. FASCISTS IN ROME INDORSED THE GERMAN STATEMENT.

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PRESIDENT ROOSEVELT SAID AT HYDE PARK, N. Y., THAT EVERY CAPITAL IN EUROPE PRESENTED EVIDENCE OF PREPARATIONS FOR AN EVENTUALITY BELIEVED TO BE FAIRLY CLOSE.

30124 - 2483

3024-2483

SECRETARY HULL, HOWEVER, SAID
THE STATE DEPARTMENT HAD NOT RECEIVED ANYTHING VERY TANGIBLE
ON REPORTS THAT AN ATMOSPHERE OF PEACE WAS DEVELOPING IN EUROPE.

TV-MISC-3369

JUL 22 1939

Talk Of Peace Move Persists In London

London, July 21 (AP)—Talk of overtures toward European "peace" discussions spread today despite lack of confirmation.

One report was that Britain's ambassador to Germany, Sir Neville Henderson, might "very shortly" establish contact with Reichsführer Hitler "to find out just what his terms are for world peace."

Some saw a possible connection between this and reports current in some foreign diplomatic circles here that Britain might favor some "new and sensational attempt to come to a settlement with Germany."

Optimism Despite Shooting
There was nothing concrete to support the rumor, yet evidence of a more favorable outlook persisted in spite of yesterday's Danzig incident in which a Polish border official was shot by a Free City customs officer.

Optimism expressed by Prime Minister Chamberlain in a letter made public yesterday was furthered by the departure of United States Ambassador Joseph P. Kennedy for a brief vacation on the French Riviera. Kennedy conferred at length with the Prime Minister yesterday.

Same Optimism Before Munich
The Chamberlain letter, urging support of a Government Parliamentary candidate, had said there were no international disputes which "could not be solved by peaceful means."

Parliament is due to adjourn August 4, and some quarters which doubt that Chamberlain discarded his appeasement policy entirely recalled that just before recess last July he spoke optimistically of the European situation. The Czecho-Slovak crisis and Munich settlement followed.

THE HENDERSON-HITLER RUMOR WAS ATTRIBUTED TO COMMONS LOBBY TALK BY THE DAILY MIRROR WHICH ALSO MENTIONED A REPORT OF "PERSISTENT" GOSSIP IN FOREIGN CIRCLES HERE "THAT HITLER INTENDS TO MAKE A PEACE GESTURE AND THAT THE GERMAN FOREIGN OFFICE HAS GIVEN A HINT TO SIR NEVILLE HENDERSON TO HAVE ANTI-GERMAN PROPAGANDA DAMPED DOWN."

General Ironside Returns
LONDON, July 21 (AP)—Major General Sir Edmund Ironside, Inspector General of British overseas forces, returned by air today from Warsaw, having completed a four-day conference with Polish army leaders on co-ordination of the forces of the two Powers.

IN WARSAW CONFIDENCE WAS EXPRESSED THAT HIS VISIT HAD DONE MUCH TO IMPRESS GERMANY WITH THE SOLIDARITY OF THE BRITISH-POLISH MUTUAL AID AGREEMENT.
SIGNATURE OF A FORMAL ALLIANCE BETWEEN THE TWO COUNTRIES WAS EXPECTED SHORTLY. THE PACT NOW RESTS ON DECLARATIONS EXCHANGED BY LEADERS OF THE TWO GOVERNMENTS AND A WRITTEN TREATY OF ALLIANCE STILL IS IN PREPARATION.

QQ133PED

London Is Skeptical Of Reich Hints Of Danzig 'Appeasement'

Government Spokesman Says Decision Regarding
Status Of Danzig Still Rests With Poland

Bunnelles [By the Associated Press]

30124

London, July 21—A German suggestion that Great Britain press Poland for settlement of the Danzig problem met a cool response tonight in official quarters but caused fears of a new "Munich" among opponents of an appeasement policy.

A Government spokesman said Britain had made it clear that any decision affecting the status of Danzig rested with Poland and that there had been no change in this policy.

He insisted Britain had approached neither Poland nor Germany regarding settlement of the issue. He also expressed doubt that the question would be settled on the basis suggested by a German Government spokesman in Berlin—unconditional return of the Free City to Germany.

Same Attitude At Munich
Among those who still feared Prime Minister Neville Chamberlain might return to the discarded "appeasement" policy, however, it was recalled that official circles took a similar hands-off attitude almost on the eve of the Munich conference last September which began the dismemberment of Czecho-Slovakia.

At that time the Foreign Office was kept in the dark about Chamberlain's plans and these quarters feared the same thing might happen again.

These fears were increased by a crop of persistent rumors of appeasement moves, all denied. Within twenty-four hours the following reports have appeared in London newspapers:

1. The *Daily Mirror* quoted Parliamentary sources as saying Sir Neville Henderson, British Ambassador to Berlin, might approach the German Government shortly with a request that Hitler outline his minimum terms for European peace.
2. The *Financial Times*, commenting on the visit in London of Dr. Helmuth Wohlthat, German economic expert, suggested he was aiming at getting economic assistance in return for "a measure" of disarmament.

Talked To Trade Officials
The latter report appeared bolstered to some extent by the acknowledgment in Government quarters that Dr. Wohlthat had been in touch unofficially with British trade officials, sounding them out on the possibility of improving British-German trade relations.

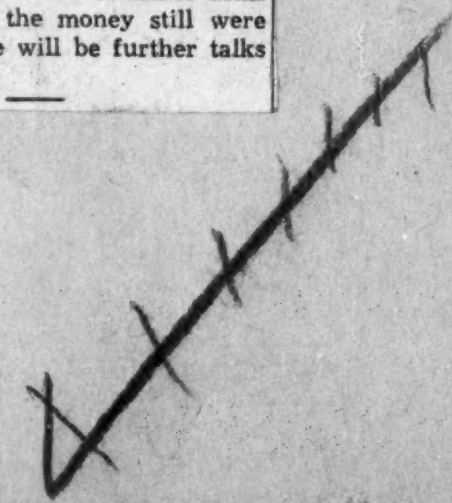
It was emphasized these were only unofficial talks but might lead to "more concrete proposals."

Only this morning the *Manchester Guardian* asserted "fears and suspicions" of Chamberlain's Government still existed in many minds and urged inclusion of Winston Churchill in the Cabinet as "proof that he is determined to carry his policy (of resistance) to success."

Rumors Denied
Government circles denied all the appeasement rumors and said they were puzzled as to where they were originating. One official suggested they might be coming from an appeasement group in Parliament without Chamberlain's knowledge.

Meanwhile the Government once more sent instructions to Sir William Seeds, British Ambassador to Moscow, in an effort to conclude the proposed British-French-Soviet Russia mutual-assistance pact. The nature of the instructions was not disclosed.

Negotiations on a loan to Poland continued, but difficulties over where Poland would be able to make arms purchases with the money still were unsettled. There will be further talks tomorrow.



Add-London - July 21

VERNON BARTLETT, INDEPENDENT MEMBER OF PARLIAMENT

AND WRITER ON FOREIGN AFFAIRS, SAID IN THE NEWS-CHRONICLE THAT ONE APPROACH TO SETTLEMENT OF THE INTERNATIONAL PROBLEM WAS FOR FRANCE AND ENGLAND, WITH THEIR REARMAMENT AT A PEAK IN SEPTEMBER, TO "COME FORWARD WITH A SENSATIONAL OFFER."

UNDER THIS PLAN, HE WROTE, THEY WOULD POINT OUT TO GERMANY SHE COULD NO LONGER TO HOPE TO WIN A "LIGHTING WAR" AND ANY OTHER WAR WOULD BE AS DISASTROUS FOR HER AS OTHER NATIONS.

"THEREFORE SHE SHOULD DISARM, AND IN ORDER TO HELP INTERESTS OF OTHER POWERS IN CHINA WITHOUT BREAKING HER TREATY HER THROUGH A VERY DIFFICULT PERIOD OF TRANSITION FROM WARTIME TO OBLIGATIONS.

PEACETIME ECONOMY, OTHER GOVERNMENTS SHOULD GUARANTEE HER A LON OF ABOUT 2,100,000,000 (ABOUT \$468,000,000)," HE SAID. "THERE WOULD, OF COURSE, BE STRICTEST INTERNATIONAL CONTROL OF GERMAN DISARMAMENT.

BARTLETT SAID HE DID NOT KNOW TO WHAT EXTENT THE

PLAN HAD THE SUPPORT OF THE GOVERNMENT BUT THAT IT HAD "BEEN

PUT FORWARD BY AT LEAST ONE MEMBER OF THE GOVERNMENT."

ONLY THIS MORNING, ETC., PICKING UP 11TH

GRAPH PVS.

BUNNELLES 00900 -EDB-1049PED

REPORTS FROM TOKYO ~~WERE~~ ON THE THIRD SESSION OF NEGOTIATIONS

ON THE BRITISH-JAPANESE DISPUTE IN TIENTSIN ALSO GAVE RISE TO FEARS THAT BRITAIN HAD MADE CONCESSIONS TO THE JAPANESE.

A FOREIGN OFFICE SPOKESMAN, HOWEVER, SAID THE UNITED STATES AND FRANCE WERE BEING INFORMED OF EVERY STEP IN THE TALKS AND THAT BRITAIN COULD NOT MAKE ANY AGREEMENT WITH JAPAN AFFECTING THE MAJOR

INCREASE IS SEEN IN NAZI TROOPERS ON DANZIG STREETS

Steinkopf
More Men Appear in Black
or Brown Uniforms--
Poland Keeps Calm.

30 JUL 22 1939
FREE CITY OF DANZIG, July 21 (A. P.).—Observations on Danzig streets today showed that men in both black and brown uniforms were increasing in number.

[The Nazi SA men—storm troopers—wear brown uniforms; the SS, or Elite Guards, wear black.]

Polish and Danzig investigating commissions continued their separate inquiries into the frontier killing yesterday of Witold Budciewicz, a Polish soldier, by Max Stein, a Danzig customs official, coming to opposing conclusions.

The Poles contended the soldier was shot without reason as he sought to question three men who had crossed into Polish territory near Postelau. Danzig authorities asserted that Stein fired in self-defense when a rifle was aimed at his head. They said Stein had been removed from duty pending completion of the inquiry but was not under arrest.

No formal Polish protest had reached the Danzig Senate today.

FREE CITY OFFICER SEIZED IN POLAND

Customs Aide Arrested As
He Rides Into Territory
Along Border
Steinkopf
Warsaw Officials Assert Nazi
Officers Cross Frontier
Frequently

30 JUL 22 1939
[By the Associated Press]
Free City of Danzig, July 21—Polish spokesmen here announced tonight that a Danzig customs officer was captured today as he "invaded" Polish territory along the western border of the Free City.

Poles asserted this otherwise trivial incident assumed importance because it established their contention that Danzig border authorities frequently cross the frontier on mysterious missions.

Shooting Of Soldier Cited
It was significant, Polish spokesmen added, that the new incident followed so closely on the shooting of a Polish frontier soldier by a Danzig officer who, they alleged, had stepped across the line.

The slain soldier was Witold Budciewicz. Poles contended he was shot yesterday without reason by Max Stein, a Danzig customs official, as Stein and two others crossed into Polish territory near Postelau.

Danzig authorities said Stein fired in self-defense when a rifle was aimed at him.

Rode Into Poland
The name of the Danziger captured today was given as Eugene Lipsky. Poles said he was wearing his uniform and rode a short distance into Poland near the village of Lapin in the Kartuz district.

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According to their version, a Polish frontier soldier shot into the air to halt the horseman. The horse, frightened, threw Lipsky, who then was seized. At a frontier police station it was reported Lipsky tried to escape by running but was stopped by another warning shot.

He was taken to Kartuz, where presumably he will be tried on charge of crossing the frontier while on duty and wearing a uniform.

Danzig Claps Three More Poles In Jail

[By the Associated Press]

Warsaw, July 21—Official Poland sought today to keep public opinion within bounds in the face of continuing incidents in Danzig.

News that three more Poles had been arrested there was received with the same restraint observed after the killing yesterday of a Polish frontier guard by a Danzig customs officer.

Polish newspapers put on their inside pages stories that a Polish priest, Father Bernard Wlecki, a postal worker from Zoppot named Kozuba and a railway worker, Augustyn Potrykus, were being held by Danzig authorities.

Priest's Arrest Mystery

The papers said no reason was given for the arrest of the priest. The postal worker was said to have been accused of smuggling Polish newspapers into the Free City. The railway employee was said to have been detained for "political reasons."

Official circles declined to comment on the killing of the frontier guard until investigations are completed. It was believed, however, that apologies from Danzig authorities might be accepted as closing the incident.

Ready To Act

An informed source said that "if Poland exhibits restraint over what is happening in Danzig it is because we are determined to be objective in watching the situation and to be ready to act if it becomes necessary. "To lose restraint, to permit ourselves to be provoked would be to respond as Germany wants us to respond."

Foreign circles, while not denying the possibility of a negotiation of Polish-German issues if Germany would proceed on the principles laid down by Polish Foreign Minister Beck in his speech of May 5, are of the opinion that the Polish Army and Polish public opinion present two firm stumbling blocks to such a course.

Beck's Position

On May 5 Beck said Poland was willing to negotiate only on the basis of peaceful intentions and peaceful methods of action, and only over matters not directly affecting Polish sovereignty over the Polish Corridor and Polish rights in Danzig.

The army now is at a high pitch of preparedness and is not in a conciliatory mood, while the public, after four months of strain, is in a determined state of mind.

POLAND IS DUBIOUS OF DANZIG ACCORD

Berlin Statement Described as 'Wishful Thinking' and 'Persistent Propaganda'

FREE CITY GETS PROTEST

Note Refuses to Accept Idea Official Was Killed on Other Than Polish Territory

WARSAW, Poland, July 21 (AP).—Polish circles tonight described as "a combination of wishful thinking and persistent propaganda" the Berlin Foreign Office statement that Danzig would be restored to Germany peacefully and without compromise on the part of Germany.

Poles expressed surprise that the Berlin declaration should have come immediately after the departure from Warsaw of Major Gen. Sir Edmund Ironside after four days of conferences on the coordination of British and Polish military strength in time of emergency.

Sir Edmund, Inspector General of British Overseas Forces, returned to London by air. There had been a feeling here that his visit was a gesture of British-Polish cooperation that Berlin could not ignore.

Informed persons expressed the belief that his talks here were satisfactory and established the framework for whatever joint action may be necessary.

It was authoritatively stated that there are no negotiations in progress between Poland and Germany regarding Danzig at present.

One responsible Polish spokesman said of the Berlin declaration:

"This is one more example of the way Germany clings to certain illusions, not least to a faith in a propaganda machine. In spite of the repeated declarations of Chamberlain and Halifax [British Prime Minister and Foreign Secretary] and the statements of Polish leaders, Berlin refuses to admit what it knows privately—that Poland is determined and that Poland is solidly united with the Western powers."

"To say that Poland is unyielding because of British backing is to ignore the public acknowledgement of Chamberlain that Poland made her decision [to stand against German demands for Danzig] before she received any guarantee from Britain."

Meanwhile, Polish officials sought to keep the public calm in the face of continuing friction with the Nazi-dominated Free City of Danzig. The killing of a Polish soldier yesterday by a Danzig customs officer still was under investigation and the newspapers gave the affair little prominence.

News that three Poles had been arrested in the Free City likewise was relegated to inside pages.

"To lose restraint, to permit ourselves to be provoked, would be to respond as Germany wants us to respond," said one responsible observer.

SLAV NEUTRALITY BACKED BY ARMS

Yugoslavia Fortifies Her Reich Border as Independence Guarantee

LJUBLJANA, Yugoslavia, July 21 (AP).—Yugoslavia is building fortifications along the frontier with Germany as "neutrality insurance," army circles disclosed today.

Five thousand carloads of material have been ordered for construction of artillery emplacements, pill boxes and tank barricades at border points, they stated.

The army men said there was no contradiction between the defense program and Yugoslavia's cordial relations with Germany, emphasized by Regent Prince Paul's visit to Adolf Hitler in June.

"The new fortifications are for the purpose of preserving our strict neutrality in case of a conflict involving neighboring countries," it was stated.

(Yugoslavia joined Bulgaria in a declaration of "independence and neutrality" July 10.)

Among the 1,200,000 Slovenes who live in the northern wedge of Yugoslavia, bordered by Italy, Germany and Hungary, relief over the army's program was expressed publicly. Bitter enmity has grown up between the Slovenes and the Germany Nazi minority of 50,000.

New Constitution Voted By Slovak Parliament

Nation Is Declared Independent By "Will Of God And Adolf Hitler"

Bratislava, Slovakia, July 21 (AP).—The Slovak Parliament today adopted a constitution which makes the little remnant of Czecho-Slovakia "an authoritarian republic."

Slovakia, independent, according to Premier Joseph Tiso, "by the will of God and Adolf Hitler," will elect a national council of ten members.

The council will govern; its chairman will be chief of state. There will be a Parliament of eighty Deputies elected for five-year terms, but the national council can issue decrees which will not require parliamentary ratification.

Slovakia became nominally independent in the breakup of the Czecho-Slovak Republic last March, but soon thereafter placed herself under the military protection of Germany.

CZECH REGIMENT FORMED

French Foreign Legion to Place in One Unit 4,000 Recruits

PARIS, July 21 (AP).—A new regiment, formed almost exclusively of veterans of the old Czecho-Slovak Army, was reported today as being organized at Sidi Bel Abbes, Algerian headquarters of the French Foreign Legion.

The Agence Radical Independante, organ of a wing of Premier Edouard Daladier's Radical Socialist party, said 600 former Czech officers and soldiers who joined the Foreign Legion recently had been kept in a solid unit. These men, the agency said, were being trained to form the central units of an entire Czech regiment.

Negotiations are now under way, the report said, to transfer more than 4,000 Czech soldiers now in Poland to Morocco, where they would be incorporated into the new unit. The officers probably would be French, it was said. Fifty-six Czech aviators already are enrolled in the Foreign Legion's flying corps.

5-Power Plan For European Peace Reported

Philadelphia Paper Hears Britain, France, Italy, Germany, Poland Agree

PHILADELPHIA, July 21 (AP).—"The Inquirer" in a copyright dispatch from its Washington bureau said tonight it had learned a five-power agreement seeking to preserve peace in Europe for twenty-five years "has been tentatively reached by Great Britain, France, Germany, Italy and Poland."

The newspaper said: "The agreement, expected to be ratified within the next two weeks, settles every outstanding European problem." The agreement, the newspaper added, consists of three major points:

1. Danzig would be returned to Germany, but under the technical classification of a free port, thus leaving it open to Polish commerce.
2. The status of the Polish Corridor would be modified to satisfy both Germany and Poland, with Germany presumably having free access to East Prussia and Poland continuing to have free access to Danzig and her port at Gdynia.
3. Italy would be given representation on the directorate of the Suez Canal.

4. Italy would be given participating rights on the railroad linking Addis Abbaba with French-owned Djibouti.

"5. A neutralized zone would be established in North Africa opposite Gibraltar to insure British sovereignty there."

"6. The present border between France and Italy would be permanently guaranteed."

"7. The present border between France and Germany would be permanently guaranteed."

"8. All other existing European frontiers would be guaranteed for twenty-five years."

"9. The five powers would limit their regular armies to not more than 300,000 men for twenty-five years."

The newspaper said it was told "that the text of the agreement, in its tentative form, has been received in Washington for the information of President Roosevelt and Secretary of State Hull. It was emphasized that the United States was in no way to be considered as a party to the agreement, or that it was even to know officially what is going on."

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SLOVENE NATIONALISTS ACCUSED THE GERMAN MINORITY OF ORGANIZING SECRET MILITARY UNITS AND WORKING FOR GERMAN INTERVENTION IN SLOVENIA.

AT MARENBURG, POLICE WERE CALLED OUT RECENTLY TO PROTECT GERMAN RESIDENTS FROM A MOB WHICH BROKE WINDOWS IN THEIR SHOPS AND HOMES.

A BOYCOTT AGAINST GERMAN TRADESMEN STARTED TO SPREAD AFTER THE NAZI FLAG WAS RAISED SURREPTITIOUSLY OVER THE TOWN HALL AT PTUJ ON ADOLF HITLER'S BIRTHDAY, MAY 20, LAST YEAR.

JUL 22 1939

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ABA (NYC OUT)

BY DEMITT MACKENZIE

ASSOCIATED PRESS FOREIGN AFFAIRS WRITER

NEW YORK, JULY 21--WASHINGTON'S SUMMER-HEAT DEBATE OVER NEUTRALITY LEGISLATION HAS SERVED AS THE SHOWER TO SPROUT A NEW CROP OF SPECULATIONS AT HOME AND ABROAD ABOUT THE PROSPECTS OF CONFLICT IN EUROPE.

THERE ARE AS MANY VIEWPOINTS OF THIS MOMENTOUS QUESTION AS THERE ARE BETS ON WHAT WILL WIN A KENTUCKY DERBY. 30129

SOME OF THOSE ON THE ACTUAL JOUSTING-FIELD SEEM TO "SEE THROUGH A GLASS, DARKLY." POLAND'S DISTINGUISHED GENERAL VLADISLAS SIKORSKI SAYS GERMANY CAN BE EXPECTED TO MAKE A NEW EFFORT ABOUT AUGUST 15 TO CREATE A "LOCAL WAR" WITH POLAND. THE FRENCH PRESS ALSO HAS BEEN INCLINED TO LOOK FOR A FRESH CRISIS SOMETIME IN AUGUST OR SEPTEMBER.

ON THE OTHER HAND THE GERMAN PRESS HAS BEEN SHRUGGING ITS SHOULDERS AND ASKING WHAT ALL THE FUSS IS ABOUT. OVER IN LONDON LORD BEAVERBROOK'S DAILY EXPRESS, REFERRING TO ITS PREDICTION LAST YEAR THAT THERE WOULD BE NO WAR, DECLARES IN A VOICE REACHING FAR:

"THERE WAS NO WAR LAST YEAR AND THERE WILL BE NO EUROPEAN WAR INVOLVING BRITAIN THIS YEAR EITHER." 301039

BRITISH PREMIER CHAMBERLAIN ASSERTS "THERE IS EVERY INDICATION THAT BRITAIN'S NEWLY-REGAINED POWER IS RESTORING CONFIDENCE TO EUROPE AND IN THOSE COUNTRIES WHICH DESIRE TO LIVE IN PEACE AND SECURITY." NOT ALL ENGLISH CIRCLES ARE SO OPTIMISTIC.

ANYBODY WHO WANTS TO CAN GET HIS TEN CENTS WORTH OF SATISFACTION IN BECOMING A PROPHET. AND THE COLD FACT IS THAT HIS GUESS WILL BE JUST AS GOOD AS THAT OF THE NEXT MAN.

NOBODY KNOWS WHETHER WE SHALL HAVE WAR SOON. THERE IS NO FACTUAL BASIS ON WHICH TO PIN A DEFINITE PREDICTION.

UNTIL A COMPARATIVELY RECENT DATE ONE COULD SEE WITH FAIR CERTAINTY WHAT THE NEAR FUTURE HELD IN THE WAY OF WAR POSSIBILITIES. AT THE TIME OF THE MUNICH CRISIS, FOR EXAMPLE, YOUR CORRESPONDENT, WHO WAS REPORTING ON THE GROUND, WAS BOLD ENOUGH TO ASSERT MORE THAN ONCE THAT WAR WASN'T LIKELY. HE DID THE SAME FOR OTHER SITUATIONS.

IN ALL THOSE CASES, HOWEVER, THE OBSERVER'S TASK WAS ONE OF MAKING TWO AND TWO EQUAL FOUR. NOW THE EUROPEAN TANGLE HAS ENTERED AN ENTIRELY DIFFERENT PHASE. THE FAIRLY EXACT CONDITIONS WHICH EXISTED HAVE GIVEN WAY TO BROADER AND MORE ELUSIVE GROUNDS, AND WE GET

ABA (NYC OUT)

A GENERAL WAR, IF IT SHOULD COME, WILL BE TO SETTLE THE VERY WIDE ISSUE OF WHO'S WHO IN EUROPE. THAT IS, IT WILL BE TO DETERMINE WHICH GROUP OF GREAT POWERS SHALL DOMINATE, POLITICALLY AND ECONOMICALLY.

IT WON'T BE A FIGHT OVER "ISMS", AND IT WON'T BE A BATTLE OVER THE SOVEREIGNTY OF SOME LITTLE COUNTRY, THOUGH THOSE THINGS MAY PLAY A SECONDARY ROLE.

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THAT BRINGS US UP TO THE FAIR CERTAINTY THAT THERE WON'T BE WAR OVER DANZIG OR ANY SIMILAR SITUATION UNLESS EITHER THE BERLIN-ROME AXIS GROUP OR THE ANGLO-FRENCH ALLIES DECIDE THAT THE TIME HAS ARRIVED WHEN THE GREAT ISSUE OF DOMINATION MUST BE SETTLED.

THAT'S WHY NOBODY CAN SAY WHETHER DANZIG WILL PROVIDE THE SPARK FOR AN UPHEAVAL--BECAUSE DANZIG'S STATUS WOULDN'T BE THE REAL ISSUE.

MANY OBSERVERS BELIEVE THAT THE BIG PAY-OFF ISN'T IN SIGHT. THERE ARE SEVERAL REASONS FOR THIS VIEW. AMONG THEM ARE:

30.24 - 2487

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- (1) THAT THE PEOPLE OF EVERY COUNTRY OF EUROPE WANT TO AVOID WAR.
- (2) THAT NEITHER FRANCE NOR ENGLAND HAS YET REACHED THE PEAK OF PREPAREDNESS, DESPITE THEIR GREAT PROGRESS IN THAT DIRECTION.
- (3) THAT THE AXIS POWERS ARE HARD PRESSED ECONOMICALLY, AND ARE HELD BY MOST FOREIGN EXPERTS TO LACK THE SINENS FOR A PROTRACTED WAR. THE ASSUMPTION IS THAT THEY WOULD PREFER MORE TIME IN WHICH TO IMPROVE THEIR POSITION.

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THERE IS ONE OTHER THING WHICH SOME OBSERVERS BELIEVE. THIS IS THAT THE DANZIG DISPUTE MIGHT PRODUCE ANOTHER "CRISIS" WITHOUT PRECIPITATING A GENERAL WAR.

Another rumor, published by the Daily Mirror, was that Adolf Hitler already had hinted a readiness to promise Europe peace on condition

that he get a £500,000,000 (about \$2,390,000,000) loan, "backed by all the democratic Powers."

Trade Envoy in London.

Dr. Helmuth Wohlthat, Germany's trade envoy, the Mirror went on, "here ostensibly to attend an international whaling conference, is believed to have brought to London an offer from Hitler to promise peace to Europe on condition that he gets a huge loan to solve Germany's economic difficulties."

The Financial Times also speculated on this possibility, and Government circles admitted Dr. Wohlthat had been in touch with British trade officials unofficially.

Still another and more conservative version of the peace talk background heard in frequently well-informed circles was that Dr. Wohlthat was told of a plan, long considered by certain persons in Britain and the United States, which would enable Germany to turn away from militarism and develop a healthy economic system.

Official quarters denied all appeasement reports and greeted coolly a German suggestion that Britain press Poland for settlement of the Danzig issue.

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BRITISH BRAND NAZI LOAN TALK IRRESPONSIBLE

Foreign Office Indignant at Suggestion That Broad Agreement Is Near.

EFFECT ON SOVIET IS FEARED

Germany's Willingness to Change Policy Must Be Displayed First, Says Spokesman

LONDON, July 22 (A. P.).—The British Foreign Office spoke out indignantly today about what it called "fantastic and irresponsible talk" of an impending broad agreement with Germany to save European peace. It denied that there were official negotiations of any kind.

"All talk of a large loan to Germany in partial disarmament is purely academic, and moreover is harmful because it may prejudice the Anglo-Soviet talks," a foreign office spokesman said.

Talk about a huge international loan being granted to Germany to aid the Reich's domestic economy and settle European tension had centered about the visit here of Dr. Helmuth Wohlthat, German Trade Ambassador. He conferred recently with Sir Horace Wilson, permanent Secretary to the Treasury.

Wohlthat Returns to Berlin.

Dr. Wohlthat returned to Berlin today and denied having conducted any negotiations for a general loan for Germany.

A scheme to grant Germany a loan of £1,000,000,000 (\$4,680,000,000) and internationalize colonies in return for general disarmament and supervision of Germany's arms industry was said here to have been started by R. S. Hudson, secretary of overseas trade.

Mr. Hudson was believed to have mentioned the scheme to a number of members of the Government, but a Foreign Office spokesman said this morning:

"The scheme is unknown to Lord Halifax; it is unknown to Sir Horace Wilson; it is unknown to the Prime Minister. It is fantastic."

In his statement today the Foreign Office spokesman said that Dr. Wohlthat and Sir Horace did not even mention any plan for a general loan to help evacuate refugees from Germany.

Prague Evacuation First.

"Before any scheme for a general settlement can be considered by the British Government," the spokesman said, "there must be some evidence of Germany's willingness to change her policy."

"For example, it is extremely unlikely that Britain could ever negotiate a settlement as long as the Germans are in Prague."

This was a reference to establishment of the German protectorate over Bohemia and Moravia, heart of the old Czechoslovak republic, last March. The Anglo-Soviet talks, the spokesman said, might be harmed by talk of a loan to Germany are those now more than three months old, in which Britain and France are seeking to bind Russia to a three-Power mutual assistance pact.

In spite of the spokesman's statement, it is known here that Prime Minister Chamberlain has in fact discussed a plan to change Germany from a war-time to a peace-time economy.

Loan Has Been Suggested.

One leading diplomat in London has for a long time had a plan for a general settlement which included a large loan to Germany and this has been put before Mr. Chamberlain and is even said by this diplomat to have the support of Field Marshal Hermann Wilhelm Goering, the Reich's economic plan chief.

Regardless of what the British Government is doing officially, there is no question that a number of influential people in this country believe Britain should come forward at a strategic time with a comprehensive scheme for a general settlement.

Some, however, that time. These persons say that any talk of appeasing Germany will not only hamper the talks for a mutual assistance pact with Russia but may even encourage Germany in what they call her imperialistic and militaristic policy.

Various reports of preliminaries to the negotiation of Europe's problems followed a week of growing optimism that they would be solved peacefully.

Poland was standing firm against Nazi pressure, but she faced the possibility of an unpredictable Soviet Russia joining hands with Germany. A Soviet announcement last night disclosed that trade talks with Germany had been resumed after sudden interruption of preliminaries last January.

Resumption of the negotiations after two previous failures was viewed as holding disturbing possibilities alike for Poland and for British-French negotiations for a mutual aid pact.

One version of a new peace deal was set forth by Vernon Bartlett, Member of Parliament and foreign affairs writer in the News Chronicle.

Disarmament Control Clause.

This purported plan, he said, would call for Britain and France to point out to Germany that she could no longer hope to win a "lightning war" and would suggest:

"Therefore she should disarm, and in order to help her through a very difficult period of transition from wartime to peacetime economy, other governments should guarantee her a loan of about £100,000,000 (about \$468,000,000).

"There would, of course, be strictest international control of German disarmament," he said.

STILL ANOTHER CONSERVATIVE VERSION OF THE PEACE TALK BACKGROUND HEARD IN FREQUENTLY WELL-INFORMED CIRCLES WAS THAT WOHLTHAT WAS TOLD OF A PLAN, LONG CONSIDERED BY "CERTAIN PERSONS" IN BRITAIN AND THE UNITED STATES, WHICH WOULD ENABLE GERMANY TO TURN AWAY FROM MILITARISM AND DEVELOP A HEALTHY ECONOMIC SYSTEM. IT WAS SAID THE PLAN WAS NOT FORMALLY SPONSORED BY THE BRITISH GOVERNMENT BUT SOME GOVERNMENT QUARTERS WERE AWARE OF THE SUGGESTION WHICH WOHLTHAT WOULD REPORT TO FIELD MARSHAL GOERING. THE PLAN WAS REPORTED TO BE

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1. PARTIAL DISARMAMENT BY GERMANY FOLLOWED BY SOME INTERNATIONAL SUPERVISION OF HER ARMS PRODUCTION.

2. A \$1,000,000,000 (ABOUT \$4,650,000,000) LOAN TO HELP CONVERT GERMAN INDUSTRY TO NORMAL PEACETIME PRODUCTION.

3. AN INTERNATIONAL POOL PLAN FOR COLONIAL DEVELOPMENT IN WHICH GERMANY WOULD SHARE BUT IN WHICH COLONIAL SOVEREIGNTY WOULD REMAIN UNCHANGED.

XX (HULL)

PHILADELPHIA

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WASHINGTON, JULY 22-(AP)-SECRETARY HULL SAID TODAY THE STATE DEPARTMENT HAD RECEIVED NO INFORMATION THROUGH OFFICIAL CHANNELS TO THE EFFECT THAT FIVE EUROPEAN POWERS WERE AGREED TENTATIVELY UPON A PACT DESIGNED TO SETTLE THEIR MAJOR PROBLEM AND PRESERVE PEACE AT LEAST 25 YEARS.

THE PHILADELPHIA INQUIRER PUBLISHED TODAY A STORY FROM ITS WASHINGTON BUREAU SAYING A FIVE-POWER AGREEMENT WHICH "SETTLES EVERY OUTSTANDING EUROPEAN PROBLEM" HAS BEEN REACHED TENTATIVELY BY GREAT BRITAIN, FRANCE, GERMANY, ITALY AND POLAND.

THE NEWSPAPER ALSO SAID HITLER, MUSSOLINI, PRIME MINISTER CHAMBERLAIN, PREMIER DALADIER AND COLONEL JOSEPH BECK, THE POLISH FOREIGN MINISTER, WOULD MEET, PROBABLY WITHIN TWO WEEKS, TO RATIFY THE AGREEMENT.

HULL WAS ASKED AT HIS PRESS CONFERENCE FOR COMMENT ON THIS STORY. HE REPLIED THAT THE STATE DEPARTMENT HAD RECEIVED ABSOLUTELY NOTHING IN THE WAY OF INFORMATION, NEWS REPORTS, RUMORS OR SPECULATION ON THE SUBJECT THROUGH OFFICIAL CHANNELS.

ALL HE HAD HEARD, HE ADDED, CAME FROM THE PRESS.

HE TOLD NEWSMEN THAT THERE HAD BEEN NO DEVELOPMENTS TO ALTER THE PICTURE OF INTERNATIONAL CONDITIONS WHICH PRESIDENT ROOSEVELT AND HE GAVE SENATE LEADERS AT THE RECENT WHITE HOUSE CONFERENCE ON NEUTRALITY LEGISLATION.

THE TWO WERE REPORTED TO HAVE SAID AT THAT TIME THAT MAJOR DISTURBANCES IN EUROPE WERE POSSIBLE BEFORE THE NEXT REGULAR SESSION OF CONGRESS IN JANUARY.

LT/SU1145AES

OFFICIAL QUARTERS DENIED ALL APPEASEMENT REPORTS AND GREETED COOLY A GERMAN SUGGESTION THAT BRITAIN PRESS POLAND FOR SETTLEMENT OF THE DANZIG ISSUE.

THE ANSWER SAID, WAS GIVEN IN PRIME MINISTER CHAMBERLAIN'S SPEECH IN THE HOUSE OF COMMONS JULY 10, REAFFIRMING SUPPORT OF POLAND. THEY TOOK THE VIEW THAT A NAZI PREDICTION OF EARLY SOLUTION OF THE DANZIG QUESTION, "WITHOUT COMPROMISE BUT ALSO WITHOUT BLOODSHED," WAS A "TRIAL BALLOON."

HOWEVER, IN HIS COMMONS SPEECH, CHAMBERLAIN DECLARED THE SITUATION WAS "CAPABLE OF IMPROVEMENT," AND HE AND OTHER BRITISH OFFICIALS REPEATEDLY HAVE STRESSED THE POSSIBILITY OF SETTLING THE DANZIG QUESTION BY NEGOTIATION.

WARSAW CIRCLED THAT BERLIN "REFUSES TO ADMIT OPENLY WHAT SHE KNOWS PRIVATELY, NAMELY THAT POLAND IS DETERMINED AND THAT POLAND IS SOLIDLY UNITED WITH THE WESTERN POWERS."

THEY POINTED ALSO TO THE RECENT ASSERTION OF MARSHAL EDWARD SMIGLY-RYDZ, POLISH CHIEF OF STAFF, THAT POLAND WOULD RESIST EFFORTS TO INCORPORATE DANZIG IN THE REICH EVEN IF SHE HAD TO "FIGHT ALONE WITHOUT ALLIES."

IN THE SAME SPEECH HE SAID, HOWEVER, THAT "WE WILL EXHAUST ALL METHODS FOR A PEACEFUL SETTLEMENT."

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THE DAILY MAIL SAID TODAY THE GERMAN STATEMENT ON DANZIG "WILL HELP TO LESSEN THE TENSION STILL MORE."

AN OPTIMISTIC VIEW VOICED BY THE DAILY EXPRESS WAS THAT "THE BATTLE IS POSTPONED AND EXPERIENCE SHOWS THAT A BATTLE WHICH IS POSTPONED NEVER TAKES PLACE." THE EXPRESS ADDED THAT GERMANY "HAS EVERYTHING TO GAIN BY NEGOTIATION AND EVERYTHING TO RISK BY GOING TO WAR."

THE STOCK MARKET ALSO APPEARED TO REACT FAVORABLY, WITH PRICES IMPROVING.

RS49AED

BRITAIN BARS TALKS WITH GERMANY NOW

Berlin Reports on Danzig Deal Held "Fantastic," but a Plan Has Gone to Chamberlain

EFFECT ON SOVIET FEARED

135,000 Territorial Troops on Move in Greatest Peacetime Games of British Arms

LONDON, July 22 (P).—The British Government disowned today any connection with widely reported appeasement discussions with Germany, and some political quarters said they sensed dangerous implications in Nazi predictions of a peaceful Danzig settlement.

A Foreign Office spokesman termed as "fantastic" reports published here and abroad that preliminary negotiations already were in progress looking to a general European settlement, such as Prime Minister Neville Chamberlain has talked about. Yet there were strong indications that whether or not they had attained official status or reached the negotiating state discussions were going on in important political quarters on possible terms of a long-range agreement to satisfy Germany.

Some men, including Mr. Chamberlain, were understood to have been in discussions, but that this was only a preliminary time to put an official position on them.

German Interpretation Feared

Indignant official denials that any appeasement overtures had been made or were contemplated in the near future were based largely on the fear, it was believed, that Germany might interpret the reports as a sign of weakening in the British position.

Some observers saw indications of such a German interpretation in a Berlin Foreign Office spokesman's confident forecast yesterday that the Danzig dispute would not lead to war and that Britain would bring pressure on Poland eventually to let the Free City rejoin Germany.

Government quarters also stressed the possible harmful effects on the British-French negotiations with Russia for a mutual assistance pact as the result of any indication that Britain was trying secretly again to appease Germany.

Menacing features likewise were found in the German statement by some political and diplomatic observers, who attached the most importance to the reference to "the possibility of a non-peaceful solution" of the Danzig problem. The Yorkshire Post, for instance, declared that "while the pronouncement is launched as a trial balloon to test public opinion in this and other countries, so far from having a pacific character it will be seen to involve exactly the same menace of force as was employed so successfully last September to secure the surrender of Czecho-Slovakia without a blow."

Effort to Blame Poles Seen

Others voiced the opinion that the German aim was to shift the responsibility to Poland for any difficulties that might arise over Danzig.

Among the reported schemes for a general settlement was one to grant Germany a loan of \$1,000,000,000 and to internationalize colonies in return for general disarmament and supervision of Germany's arms industry. This one was said to have been started by Robert S. Hudson, Secretary of the British Department of Overseas Trade.

Talk about a huge international loan to Germany centered on the visit here of Dr. Helmuth Wohltat, German economic expert, who returned to Berlin today and denied any such negotiations. A British Foreign Office spokesman said:

"All talk of a large loan to Germany in return for partial disarmament is absolutely unofficial and purely academic and, moreover, is harmful because it may prejudice the Anglo-Soviet talks."

OFFICIAL CIRCLES ALSO INSISTED THAT BRITAIN COULD NOT MAKE SWEEPING CONCESSIONS TO JAPAN IN THE CURRENT NEGOTIATIONS IN TOKYO OVER THE TIENSIN DISPUTE.

CHAMBERLAIN WILL INDICATE IN A STATEMENT TO PARLIAMENT MONDAY THE BASIS UPON WHICH THE JAPANESE AND BRITISH WILL CONDUCT THEIR TALKS ON THE DISPUTE.

GOVERNMENT SOURCES AT FIRST RECEIVED WITH CONSIDERABLE RESERVE A TOKYO ANNOUNCEMENT THAT AN AGREEMENT HAD BEEN REACHED ON GENERAL QUESTIONS FORMING THE BACKGROUND OF THE SITUATION.

LATER, HOWEVER, AN INFORMANT CLOSE TO THE GOVERNMENT SAID THE ANNOUNCEMENT WAS A "HOPEFUL AUGURY" OF AN UNDERSTANDING IN WHAT APPEARED TO BE AN AUTHORITATIVE OUTLINE OF THE BRITISH POSITION, HOWEVER, THE AUTHORITATIVE TIMES SAID:

"THE BRITISH GOVERNMENT CAN WITHOUT LOSS OF DIGNITY GIVE ASSURANCES THAT THE CONCESSIONS (IN CHINA) WILL REMAIN NEUTRAL AND CAN INVESTIGATE THE POSSIBILITY OF A MODUS VIVENDI BETWEEN THE JAPANESE FORCES IN THE OCCUPIED PORTION OF CHINA AND THE AUTHORITIES IN THESE NEUTRAL ENCLAVES."

"THE DIFFICULTY OF FINDING A SUITABLE FORMULA FOR SUCH AN ARRANGEMENT IS OBVIOUS, ESPECIALLY WHEN IT IS REMEMBERED THAT THE JAPANESE ARE IN OCCUPATION OF A REGION WHICH IS FAR FROM BEING PACIFIED. NEVERTHELESS THERE IS NO REASON TO PUT IT PAST THE SKILL OF DIPLOMACY TO FIND ONE."

"BUT THIS IS ALL THAT THE BRITISH GOVERNMENT CAN DO. THEY CANNOT BE EXPECTED TO SACRIFICE FRIENDS AND PRINCIPLES IN ORDER TO EXTRICATE JAPANESE COMMANDERS FROM THE DIFFICULTIES INTO WHICH THEIR OWN MISCALCULATIONS HAVE LED THEM. AT THE SAME TIME THEY REALIZE THE DANGERS OF WALKING INTO A FAR EASTERN TRAP."

THE FACT THAT BRITAIN FIRST INSISTED ON CONFINING THE TALKS TO THE LOCAL TIENSIN INCIDENTS AND NOW APPARENTLY IS WILLING TO CONSIDER THE GENERAL RELATIONSHIP WITH THE JAPANESE ARMY IN NORTH CHINA WAS TAKEN AS AN INDICATION OF SOME CHANGE IN POLICY TOWARD THE FAR EASTERN WAR.

THE LONDON VISIT OF DR. WOHLTHAT, GERMANY'S NUMBER TWO ECONOMIC CHIEF, TO ATTEND A WHALING CONFERENCE WAS CONNECTED IN MANY QUARTERS WITH THE REPORTED POLITICAL DISCUSSIONS HERE ON A BROAD PROJECT FOR A EUROPEAN SETTLEMENT.

THIS WAS SAID TO INVOLVE A LARGE INTERNATIONAL LOAN TO GERMANY TO ENABLE HER TO CHANGE OVER HER INDUSTRY FROM A WAR TO A PEACE BASIS IN RETURN FOR A MEASURE OF DISARMEMENT.

THE REPORTED PLAN ALSO ENVISAGED A COLONIAL SETTLEMENT THROUGH INTERNATIONALIZATION OF AFRICAN TERRITORY BUT WITHOUT CHANGE IN ACTUAL SOVEREIGNTY. SOME SATISFACTION OF ITALIAN CLAIMS ALSO WAS SAID TO BE INVOLVED.

WHETHER OR NOT GERMANY ACCEPTED, SOME POLITICAL QUARTERS CONSIDERED SUCH AN OFFER WOULD STRENGTHEN BRITAIN'S MORAL POSITION.

FORMULATION OF BRITAIN'S "PEACE AIMS" AND ISSUANCE TO THE WORLD IN THE FORM OF A WHITE PAPER BY THE GOVERNMENT HAVE BEEN ADVOCATED BY SOME POLITICAL LEADERS IN RECENT MONTHS AS AN EFFECTIVE ANSWER TO GERMAN CHARGES OF ENCIRCLEMENT.

UNDER THIS PROPOSAL BRITAIN WOULD MAKE KNOWN TERMS FOR DISCUSSING A GENERAL SETTLEMENT.

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Wohlthat Denies Loan Talks

BERLIN, July 22 (AP).—Dr. Helmuth Wohlthat returned today from London and said he was greatly pleased over the results of talks there with members of the Inter-Governmental Committee for Refugees. He denied having conducted while in London any negotiations for a general loan for Germany.

AGREEMENT MADE ON POLISH LOAN

British and French Yield— Warsaw May Buy Here.

LONDON, July 22 (A. P.).—What was described in financial circles as a gentlemen's agreement was

drafted today to reconcile the British, French and Polish Governments on terms of a British-French re-armament loan to Poland of around £8,500,000, about \$38,800,000.

Atracted hitch in the negotiations, which have been going on for several weeks, was caused by a Polish request for permission to spend outside of Britain and France a part of the loan for armaments and other essential war reserves.

The request was based on the contention that British and French armaments manufacturers were so busy with home orders they would be unable to guarantee delivery to Poland within a reasonable time.

It also was understood that Poland wanted a part of the loan in gold. A cash loan—as distinct from British arms credits of about \$37,440,000—was said to be needed to back fresh-minted silver currency to replace a large amount of silver hoarded by the Polish peasantry.

Great Britain and France, on the other hand, held out for payment in pounds sterling and francs.

It is reported now that the British and French waived objections to the Polish demands on the condition that they be informed of Polish purchases in other countries and have a certain amount of control over the purchases. It was believed a considerable portion of the Polish purchases might be made in the United States.

25-Year Peace Reported Offered

By the Associated Press.

PHILADELPHIA, July 22.—The Philadelphia Inquirer carries a copy-right dispatch from its Washington bureau today saying a five-power agreement which "settles every outstanding European problem" has been reached tentatively by Great Britain, France, Germany, Italy and Poland.

The newspaper says Adolf Hitler and Benito Mussolini will meet with Prime Minister Chamberlain, Premier Daladier and Colonel Joseph Beck, Foreign Minister of Poland, probably within two weeks, to ratify the agreement.

The accord, the Inquirer reported, consists of nine major points:

Danzig would be returned to Germany, but under the technical classification of a free port, thus leaving it open to Polish commerce.

Protects Gibraltar

The status of the Polish Corridor would be modified to satisfy both Germany and Poland, with Germany presumably having free access to East Prussia and Poland continuing to have free access to Danzig and her port at Gdynia.

Italy would be given representation on the directorate of the Suez Canal.

Italy would be given participating rights on the railroad linking Addis Ababa with French-owned Djibouti.

A neutralized zone would be established in North Africa opposite Gibraltar to insure British sovereignty there.

The present border between France and Italy would be permanently guaranteed.

The present border between France and Germany would be permanently guaranteed.

All other existing European frontiers would be guaranteed for 25 years.

The five powers would limit their regular armies to not more than 300,000 men for 25 years.

The Inquirer said it had learned the proposed agreement had been in negotiation for several months, "thus accounting for the recent lull in customarily turbulent Europe."

The text of the tentative pact, the dispatch added, was sent to the United States by an American ambassador whose "identity has been kept secret" for the information of President Roosevelt and Secretary Hull.

Hull Has No Information On Peace Pact Report

All He Knows of Rumor, He Says, Is What's in the Press

WASHINGTON, July 22 (AP).—Secretary of State Cordell Hull said today that the State Department had received no information through official channels to the effect that five European powers were agreed tentatively upon a pact designed to settle their major problem and preserve peace at least twenty-five years.

"The Philadelphia Inquirer" published a story today from its Washington bureau saying a five-power agreement which "settles every outstanding European problem" had been reached tentatively by Great Britain, France, Germany, Italy and Poland. The newspaper also said Hitler, Mussolini, Prime Minister Neville Chamberlain, Premier Edouard Daladier and Col. Joseph Beck (Polish Foreign Minister), would meet, probably within two weeks, to ratify the reported agreement.

Secretary Hull was asked, at his press conference today, for comment on this story. He replied that the State Department had received absolutely nothing in the way of information, news reports, rumors or speculation on the subject through official channels.

He told the newsmen that there had been no developments to alter the picture of international conditions which President Roosevelt and he gave to Senate leaders at the recent White House conference on neutrality legislation. The two were reported to have said at that time that major disturbances in Europe were possible before the next regular session of Congress in January.

PARIS, July 22 (AP).—An official French spokesman declared today that reports published in the United States that a twenty-five-year peace agreement had been reached tentatively by Britain, France, Germany, Italy and Poland were "without foundation."



DANZIGERS HOLD 10 ARMED POLES CAUGHT IN CITY

Members of Student Legion
Suspected of Spying
on Defenses.

RESCUED FROM ANGRY MOB
Warsaw Weighing Part That U. S.
May Play in European Crisis
—Feeling Army Costs.

FREE CITY OF DANZIG, July 22 (A. P.).—The Danzig authorities announced today that ten Polish youths armed with pistols were taken prisoner last night when they "invaded" free city territory along the western border.

Officials of the Nazified free city government said that an angry crowd of Danzig citizens gathered about the youthful prisoners in the village of Ochsendorf, shouting threats and making menacing gestures.

Serious disorders were averted and the captives taken to jail at an undisclosed location.

The authorities said that the prisoners belonged to the Polish Academic Legion, a semi-military organization of students.

Serious View Is Taken

The young men asserted that they had been spending a vacation at a camp near the frontier and had crossed unwittingly into Danzig territory.

Free City officials, irritated by Polish counter-charges that Danzigers were crossing into Poland illegally, took a serious view of the incident involving the students, charging that their real object was to observe Danzig defense measures.

More evidences of military preparations were seen in Danzig today. Several companies of helmeted men marched through the streets carrying rifles. One unit dragged a small cannon.

Though the number of uniforms was increasing, political circles were quiet and the city directed its attention to an international dancing contest and horse racing.

"IT'S COMING SOON," DANZIG NAZIS CRY

Citizens Grow More Confident in Free City's Early
Return To Reich

Berlin Officialdom Insists
There's No Move Afoot To
Cause Anxiety

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[By the Associated Press]

Free City of Danzig, July 22.—A feeling of confidence that the Danzig problem would be solved fairly soon—and solved without war—grew perceptibly today in the Nazi-dominated Free City.

All but a few shared the belief that Danzig would be regained by Germany peacefully, but it was impossible to find a tangible reason for the new expectancy which was apparent everywhere from the Danzig Senate down to the docks, where men said "it's coming soon."

Danzig authorities asserted ten armed Polish youths had been arrested last night when they "invaded" the Free City's western frontier.

Hustled Off To Jail

The youthful prisoners, who said they had crossed the border unwittingly from a Polish vacation camp, were surrounded by an angry crowd at the village of Ochsendorf, officials said. They were taken off to jail to prevent trouble.

Danzig Nazi optimism about return to the Reich seemed to have been inspired by a hint from Berlin, but no one in official circles would admit that was the case.

Their confidence that the change would be accomplished peacefully was emphasized by the newspaper *Vorposten*, which said "the word war never has been injected into the Danzig question by Germany."

Reich Demand "A Reality"

"The German demand that Danzig must be restored to the Reich without war is a firm political reality. There can be no change of attitude on this question."

Some bayonets were seen on Danzig streets and a few pieces of small artillery, but citizens displayed increased assurance they would not be used to deliver the city to the Reich.

"If there is war it will not be primarily over Danzig," one official said.

Poland Even the U. S. A.
WARSAW, July 22 (A. P.).—Sharp new interest in the part of the United States in international

affairs was shown today in Poland. After observing that the United States will play "an enormous, perhaps decisive, role in the coming great political conflict in Europe," *Kurjer Polski*, organ of commerce and heavy industry, said today:

"Today we are in the very center of a great diplomatic game embracing not only Europe but the entire world. We must be greatly interested in the decisions and intentions of a nation of such importance and strength as the United States."

This comment reflected a growing interest in eastern Europe in the position and attitude of the United States—an interest accentuated by the failure of the American Congress to act on neutrality legislation and by Great Britain's inability to reach any agreement in the Moscow negotiations for a tri-Power mutual assistance pact.

Poles Show Economic Strain

After four months of extensive mobilization, involving about 750,000 men, Poland is showing some symptoms of economic strain. Expert observers, however, said that the present state of preparedness could be continued for some time. The present mobilization is estimated to be costing more than 1,000,000 zlotys (roughly \$200,000) a day above normal military expenditure.

As far as the public is concerned, the most noticeable symptom of nervous strain has been the hoarding of silver coins, with a resultant difficulty in making change. To counteract this the Treasury is to make a new issue of 50,000,000 zlotys in silver coins.

Calls Poland Victorious Over German Propaganda

Warsaw, July 22 (A. P.).—The conservative newspaper *Czas* declared today that Poland has "again emerged victorious from a new propaganda campaign by Berlin."

"The latest attempt by German propaganda has been to create rumors of supposed negotiations between Germany and Poland, in addition to provocative incidents in Danzig, but there is no question but that victory again belongs to the Polish side," the newspaper said.

"More so since Germany herself admits that the political barometer today stands one hundred per cent. against war."

Gay Crowds On Boulevards
Gay crowds thronged Warsaw boulevards and tea gardens tonight seeking relief from excessive heat and exhibiting little evidence of any war apprehension.

There still are some who ask: "What do you think—is war coming?" but there is new evidence of a feeling that the German-Polish dispute may be adjusted without armed conflict.

To the average Pole this does not mean giving something away through negotiation, but the surrender by Germany of her demands for the return of Danzig and a sovereign right of way across Pomorze, the Polish Corridor, to connect Germany proper with East Prussia.

NAZIS CLAIM VICTORY IN BATTLE OF NERVES

Say Stir Caused By Their Danzig Prediction Proves Other Side Is "Ragged"

[By the Associated Press]

Berlin, July 22.—Official Germany congratulated itself today on what it regarded as victory in the latest round of the "battle of nerves."

This was the reaction as reports poured in, especially from Britain, of the "sensational" effect created by yesterday's statement by an authorized Berlin spokesman that Germany is confident Danzig will be returned to the Reich within a few months without bloodshed.

"Others' Nerves Ragged"

Foreign Office sources and other commentators insisted that the Government spokesman yesterday disclosed nothing new. Hence, they said, if it was treated as new by the press and public in other countries, this was merely another indication of "ragged nerves" elsewhere.

That Germany demands the unconditional return of Danzig, it is pointed out here, has always been known.

That Germany does not want to go to war about it should also have been known abroad, Nazi officials say today.

Hitler Paper's Charge

Hitler's newspaper, the *Völkischer Beobachter*, accused Britain of trying to awaken in English readers the impression that Germany is changing her mind every few days.

"Having previously published half a dozen dates for a German coup d'état against Danzig in order thereby to keep the pot boiling," it said, "the evening press of London yesterday gave a big play to the version that Germany had now decided after all to give preference to a peaceful solution."

"One Extreme To Other"

One officially inspired commentator drew the following conclusion:

"In England, uncertainty concerning the future is so great that the people tumble from one extreme to the other and are prepared in the same breath to ascribe every folly, but also every weakness, to German policy."

Holding that the German position is unchanged, this commentator continued:

"The German people of Danzig and of the Reich are deeply imbued with the conviction that this is not a question of war but a persistent struggle for justice, the natural outcome of which can only be a German solution and no other."

Germany Sure Week-End Will Cause No Anxiety

Berlin, July 22 (A. P.).—German officialdom closed office doors for the week-end today expressing the conviction that no move was in the offing to cause anxiety for anybody.

Surprise was still professed over international repercussions to an official spokesman's reiteration yesterday of German confidence that Danzig will be regained soon without bloodshed and on Germany's terms.

Officials watched foreign speculation about possible loans to the Reich, international programs for appeasement and reductions in German armaments.

Charges Encirclement Continues

"Nobody in England need assume," said the newspaper *Nachtausgabe*, "that Germany will consider seriously a 'plan' that contemplates compelling Germany to disarm and submit to international control at the same time that English and French armaments remain and that the encirclement policy continues."

Officialdom declined even to discuss various peace plans which were advanced as possibilities by the foreign press.

However, *Lokalanzeiger*, evidently reflecting official opinion, replied thus: "Germany never again will be willing to sell her freedom of action as regards armaments for a mess of pottage."

Will Not Brook Control

"Germany never again will be ready to submit to foreign control."

"Germany will not take more seriously than hitherto collective cooperative projects for solving the colonial and raw-materials questions."

Most outspoken on the suggestion of international control was *Deutsche Allgemeine Zeitung*, which said:

"To expect of this Germany of 1935 to accept international control of her armaments in exchange for gold is a mad maneuver."

"It is too foolish even to take seriously the pernicious intention in Berlin."

AIR DISARMAMENT URGED IN EUROPE

Curb on Planes Would Be
Move Toward Peace,
Says Liberal Sinclair

AYR, Scotland, July 22 (A. P.).—An aviation disarmament conference between Britain, France, Germany and Italy was urged today by Liberal Leader Sir Archibald Sinclair, and he added that such a conference must come only after complete British-French security had been achieved.

"If the Government would bring themselves to relinquish or at least to limit the destructive power of air weapons, mankind would have taken a big step toward sanity and peace," he declared in a speech here.

Adolf Hitler, addressing the Reichstag May 21, 1935, stated that "the German Government are ready to agree to an air convention."

Later the German Government said this was no longer possible.

Sir Archibald also urged conclusion of the projected mutual aid pact with Soviet Russia and said that the slowness of negotiations in Moscow were both dangerous and humiliating.

He advocated the inclusion of both Winston Churchill, war-time First Lord of the Admiralty, and Anthony Eden, former Foreign Secretary, in the Cabinet.

Jews Must Report Wealth
Prague, July 22 (A. P.).—The National Bank for Bohemia and Moravia issued regulations under a decree of the protectorate government today requiring registration of all Jewish property and valuables.

Jews must report precious stones and all gold and silver objects, including wedding rings, watches, knives, forks and spoons.

INQUIRY IN PRAGUE

Nazis May Seize Funds of
Czech Leaders.

PRAGUE, July 22 (A. P.).—The official National Unity party decided today to investigate the wealth of all political and economic leaders in Germany's protectorate of Bohemia and Moravia and in the previous Republic of Czecho-Slovakia.

Proof that any one has enriched himself improperly will result in expulsion from the party and such wealth will be ordered turned over to the welfare agency of the party.

The investigation, to be carried out by a five-member court, will cover the period from October, 1918—when Czecho-Slovakia was founded—to July, 1939.

Subject to the inquiry will be property of all members of the executive committee of the National Unity party, former Deputies and Senators, members of all governments since 1918, leaders of former political parties, leading State officials in various ministries and business leaders.

The investigation grew out of accusations made by radical Fascists against members of former governments.

BALTIC (BUDGET)

BY ELMER W. PETERSON

X July 1939

RIGA, LATVIA, (CORRESPONDENCE OF THE ASSOCIATED PRESS)—A FLOOD OF SUSPICION, DISTRUST AND RESENTMENT HAS BEEN AROUSED IN LATVIA, ESTONIA AND FINLAND OVER REPORTS THAT BRITISH-FRENCH-SOVIET NEGOTIATORS ARE CONSIDERING "GUARANTEES" TO THE BALTIC COUNTRIES PROVIDING AUTOMATIC ASSISTANCE IN EVENT OF DIRECT OR INDIRECT ATTACKS UPON THEM.

JEALOUS OF THEIR INDEPENDENCE AND PROUD OF THEIR NATIONAL EXISTENCE, THESE THREE COUNTRIES, WHICH WERE CARVED OUT OF RUSSIAN TERRITORY AFTER THE WORLD WAR, LOOK TOWARD MOSCOW LIKE DETERMINED SMALL BULLDOGS.

IN ADVANCE THEY REJECT ANY GUARANTEES SUCH AS SOVIET RUSSIA IS REPORTED TO HAVE DEMANDED AS PART OF HER PRICE FOR ENTERING A MUTUAL ASSISTANCE PACT WITH FRANCE AND BRITAIN.

THEY FEAR THAT RUSSIAN AID WOULD MEAN RUSSIAN REOCCUPATION OF THEIR SOIL.

"WE ARE NEUTRAL AND INTEND TO STAY NEUTRAL," LEADERS OF THE THREE NATIONS SAY. "WE DO NOT WANT GUARANTEES FROM ANYBODY AND WE ARE PREPARED TO DEFEND OUR NEUTRALITY IF NECESSARY."

THE MAN-ON-THE-STREET SEEMS TO SUPPORT THIS VIEW THAT THE THREE COUNTRIES ONCE FOUGHT FOR INDEPENDENCE AND ARE PREPARED TO DO SO AGAIN.

THOUGH THERE ARE VARIATIONS IN THEIR POLITICAL AND GEOGRAPHICAL POSITIONS, THERE IS THOROUGH AGREEMENT ON ONE POINT—IF FINLAND, LATVIA AND ESTONIA WANT OR NEED ASSISTANCE THEY PREFER TO ASK FOR IT, NOT HAVE IT THRUST UPON THEM.

THEIR VIEW IS THAT SUCH GUARANTEES AS MOSCOW IS SAID TO DESIRE WOULD GIVE THE SOVIETS THE VIRTUAL PRIVILEGE OF DECIDING WHEN AND IF NEUTRALITY OF THE THREE LITTLE NATIONS IS THREATENED AND OF ACTING

ACCORDINGLY. SUCH A SITUATION IS IMPOSSIBLE IN THE BALTIC VIEW AND WOULD BE RESISTED TO THE LAST.

HERE IS HOW THE THREE NATIONS SEEM TO STACK UP: FINLAND, WITH 3,800,000 INHABITANTS, HAS AN INTENSE NATIONAL PRIDE AND A DEEP DISTRUST OF SOVIET RUSSIA DESPITE A NON-AGGRESSION PACT BETWEEN THE TWO NATIONS. THE FINNS DECLINED A GERMAN OFFER OF SUCH A PACT, AND LOOK TOWARD RUSSIA AS THE POSSIBLE SOURCE OF ANY AGGRESSION.

ESTONIA, A NATION OF 1,200,000 POPULATION, HAS A PRE-WAR HISTORY OF RUSSIAN POLITICAL DOMINATION AND GERMAN ECONOMIC CONTROL THROUGH THE BALTIC BARONS. SHE HAS NON-AGGRESSION TREATIES WITH BOTH POWERS BUT HER MAIN FEARS LOOK TOWARD THE EAST.

LATVIA, WITH 2,000,000 INHABITANTS, IS CENTERED MORE DIRECTLY BETWEEN GERMANY AND THE SOVIET UNION. SHE HAS TREATIES WITH BOTH AND HER FEARS ARE DIVIDED ABOUT EQUALLY BETWEEN THE TWO.

WHAT IRKS THE THREE NATIONS IS THAT FOREIGN GUARANTEES OF THEIR NEUTRALITY AND INDEPENDENCE SHOULD BE DISCUSSED WITHOUT CONSULTING THEM, THAT THEIR DEFENSE ABILITY SHOULD BE MINIMIZED, AND THAT THEIR OWN BELIEF IN THEIR NEUTRALITY AS A SAFEGUARD TO PEACE SHOULD NOT BE MORE CLEARLY RECOGNIZED.

THERE IS SHARP DISAGREEMENT WITH DECLARATIONS OF THE MOSCOW PRESS THAT THE BALTIC STATES ARE UNABLE TO DEFEND THEMSELVES.

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IN FINLAND, WHICH HOLDS HERSELF OUTSIDE THE BALTIC STATE CLASSIFICATION, THERE IS A WELL-TRAINED ARMY OF 300,000 MEN WITH THE ADDED PROTECTION OF RUGGED FRONTIERS. THE NEWSPAPER HELSINGIN SANOMAT DECLARES "THE FINNISH PEOPLE HAVE NEVER GIVEN UP ONE INCH OF THEIR SOIL WITHOUT A FIGHT."

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Messages were received from Sir Kingsley Wood, British member of Parliament and Secretary of State and Air; Ian A. Mackenzie, Canadian Minister of National Defense, and Baron Robert de Watteville, Paris.

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Yesterday a Foreign Office spokesman said "all talk of a large loan to Germany in return for par-

tial disarmament" was "absolutely unofficial and purely accidental, and, moreover, is harmful because it may prejudice the Anglo-Soviet talks."

Dr. Wohlthat also denied any such negotiations as he returned to Berlin.

Members of Parliament opposed to an appeasement policy were expected to ask Mr. Chamberlain this week for assurances that there would be no "peace" talks with Germany without parliamentary approval.

These members, alarmed by a new wave of appeasement rumors, may also try to postpone the recess of Parliament, scheduled for Aug. 4. Opposition circles continued to express doubts of the government's intentions despite official denials of the appeasement rumors.

Urged Not to Recess

The left wing Reynolds News carried an editorial today urging Parliament to stay in session.

"The choice before the Conservative majority in Parliament this week is clear," the newspaper said. "They can choose a breathing spell for themselves at the expense of Parliament's traditional rights, with the danger that Mr. Chamberlain will again surrender to Chancellor Adolf Hitler's threats of force."

"Or they can prolong the session until the Anglo-Soviet pact—the main assurance that the present easing of international tension will become permanent—is signed and sealed."

Arthur Greenwood, acting leader of the Laborite Opposition, asked in a speech at Lintwhaithe whether the government was "still yearning after appeasement." He said:

"These questions are being asked and they ought to be answered:

"Is it prepared to try to buy off Hitler by sacrificing Danzig and perhaps Poland itself?

"Is it toying with the idea that it can, by sweet reasonableness and financial aid, persuade Germany to beat her sword into plowshares?"

POLISH ARMY REPORTS TO DANZIG PEACE TALK

Will Fight if Necessary, Says Inspired Editorial

WARSAW, July 23 (AP).—In an editorial apparently inspired by Polish military circles the newspaper Express Poranny said today that Poland "will fight for Danzig if there is no other way of keeping order in the Baltic area and of keeping ourselves free of the yoke of German imperialism."

This was regarded generally as a reply by the Polish Army to rumors of negotiations over Danzig.

Observers are interested in the conditional reference "If there is no other way," which was taken as evidence that the army—determined and ready as it is—does not eliminate the possibility of a peaceful solution.

The editorial said that Poland "will accept every challenge if the honor of Poland or the basis of Poland's development as a great nation is threatened."

The influential Kurjer Warszawski, through its London correspondent, termed "too absurd to be considered" the published rumors in London that British credits might be offered to Germany if the Reich would "turn to peace economics and collaboration."

The semi-official Gazeta Polska devoted editorials to the Jewish question, including anti-Semitic trends, which lately has been pushed into the background. Jews are Poland's second largest minority, about 10 per cent of the population.

Replying to recent articles in the anti-Semitic Nationalist Opposition press, the Gazeta Polska said:

"We emphasize that Poland is essentially hostile to all forms of racialism and pogroms against Jews. However, although the hatred of the Jewish masses against [Chancellor Adolf] Hitler is of some value for us at the present we are not sure that it will be so for the future."

"If the Jews are now in the same camp with us * * * we can regard them as allies, but there is no reason why we should recompense them for that."

Such "recompense" was assumed to include possible concessions in immigration laws.

TURKS MARK RETURN OF HATAY REPUBLIC

Start 3-Day Holiday as Troops Take Over the Barracks

ANGORA, Turkey, July 23 (AP).—Rejoicing Turks today began a three-day national holiday to mark the return of the Republic of Hatay from Syria to Turkey.

The Hatay territory, at the extreme northeastern corner of the Mediterranean, was turned over to Turkey June 23 by France in return for Turkey's participation in the British-French front.

There are 220,000 inhabitants, mostly Turks and Syrians, in the approximately 10,000-mile area which was a part of France's League of Nations mandate in Syria. Hatay formerly was known as the Sanjak of Alexandretta.

The Parliament of the tiny semi-independent Hatay Republic voted itself out of existence June 29 after approving its transfer to Turkey and the Turkish flag was hoisted on the Parliament Building.

Withdrawal of French troops has been under way for three weeks.

the last detachment quitting the ancient city of Antioch today after solemnly saluting the Turkish colors, which were displayed everywhere.

Military barracks were occupied fully by Turkish troops at Antioch and Turkish civil authorities took over complete control of the province, which became Turkey's sixty-third provincial unit.

The French tricolor fluttered

alongside the Turkish flag in many places and cheering crowds joined in singing the national anthems of both countries.

The Syrian population of Alexandretta, however, waited anxiously for some indication of the attitude of the Turks, since many feared Turkey wanted to pay back an old World War score.

The Syrians revolted against Turkey during the war, after which Syria became a French mandate, with Alexandretta receiving home rule.

The port of Alexandretta is a maritime outlet for trade of the Syrian city of Aleppo and is not considered necessary to Turkey, but the Turks have feared the double danger of Arab attacks upon Turkish residents there and the possible entrance of Italian interests.

Kellogg Pact's Eleventh Year To Begin Today

Nations Have Ignored Accord Barring Force, but None Have Dared Denounce It

WASHINGTON, July 23 (AP).—Ten years ago tomorrow President Hoover solemnly proclaimed effective the Kellogg pact, which was designed to outlaw war as an instrument of national policy. That was before Hitler rose to the ascendancy in Germany, Franco in Spain and the military men in Japan.

Mr. Hoover said: "I dare predict that the influence of the treaty for the renunciation of war will be felt in a large proportion of all our future international acts."

Guns have boomed on many fronts since that day and airplanes in East and West have dropped bombs on troops and civilians alike. But in all the months of fighting, war talk and threats, two facts have stood out: First is the widespread failure to invoke the anti-war treaty, the other is that no nation, whatever may have been its acts of war, has dared denounce the pact and withdraw its signature.

When the Japanese invaded China in 1931 they did not declare war—they had signed a pact to outlaw war; when Italy went into Ethiopia, that was only a colonial expedition; when Japan invaded China again in 1937 there was no declaration of war; when Italy, Germany and Russia sent troops, airplanes and guns to the Spanish civil conflict, they did so without mentioning war; when Germany took over Austria, the Sudetenland, Czecho-Slovakia and Memel, there was not even fighting. Some historians say the Kellogg pact gave rise to the undeclared war.

The treaty started out auspiciously. Before it was proclaimed, Henry L. Stimson, Secretary of State, invoked its influence to prevent the out-

break of a war between Russia and China over the Chinese Eastern Railway.

On the day it was proclaimed, British Prime Minister Ramsay MacDonald announced that work had been suspended on two cruisers, one submarine depot ship and two submarines. President Hoover responded by suspending construction on three American cruisers.

Cordell Hull, Secretary of State, spoke out recently to extol the pact. The white-haired helmsman of American foreign policy declared last year on the tenth anniversary of the signing of the pact by the fifteen signatory nations: "Governments and peoples cannot be unmindful of their obligations and responsibilities, for on the observance or non-observance of the solemn pledges made ten years ago depends the preservation of all that is valuable and worth while in the life of each and every nation."

Fifteen of the larger powers signed the pact in Paris in June, 1923, but more than a year elapsed before it was ratified by these and the forty-eight other governments which eventually signed.

But there has been striking silence elsewhere on the pact that once aroused so many hopes. Much talk of war comes today from the governments which did "solemnly declare in the names of their respective peoples that they condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another."

Reports of Europe Peace Steps Help London Market Upswing

Gains Follow 'No War Over Danzig' Statement by Germany but 'City' Is Unwilling to Accept View at Face Value; Budget Deficit Is Forecast

LONDON, July 23 (AP).—Rumors of preliminary negotiations toward a settlement of European problems and the official German prediction the Danzig question would be solved without war influenced an upswing in stock prices at last week's close.

Earlier in the week there had been noticeable discouragement in already depressed markets because of the Washington Administration's abandonment of attempts to push neutrality legislation through this session of Congress and Berlin's denial of any negotiations with Poland over Danzig.

The announcement by Sir John Simon, Chancellor of the Exchequer, that the total deficit for the current financial year would reach £500,000,000 and that it would be necessary to raise £350,000,000 through public loans contributed to the hesitancy.

During the morning session of the closing day of the week gilt-edged issues sagged fractionally despite a firm undertone. The hairspring sensitiveness of the markets to the slightest rumors of improvement in the European situation, however, caused rises of ¼ to ½ in gilt-edged securities following Berlin's "no war over Danzig" statement. The war loan closed ½ up on the day at 92½.

Financial Quarters Doubtful

Financial quarters, however, were unwilling to accept the statement at face value, some contending there was no likelihood of a boom unless there was something far more concrete on which to base hopes.

Substantial improvement in Wall Street, apparently caused by better feeling over the international situation, also assisted London sentiment.

Wheat prices at Liverpool, which hit four lows in seven days' trading, closed the week with a slight improvement on the final day's low, but failed to regain even the weak position held when the price first broke on July 14 to approximately 51 cents a bushel.

Although there were said to be "reasonable hopes" of an agreement

among the four chief wheat-exporting countries—the United States, Canada, Argentina and Australia—for a control formula on the basis of quota restrictions and minimum prices, observers said an international agreement could not bring immediate relief to wheat markets.

Aside from the distress which faces farmers as the result of bumper crops and falling prices, it was feared in some quarters that low prices and subsidized exports might affect the financial stability of the smaller governments concerned.

Brazilian Bond Parley

The Liverpool price slumped primarily because of attempts to dispose of huge quantities of Argentine wheat before the Canadian and United States crops come on the markets.

Officials of the Brazilian Embassy expressed satisfaction over the reaction in London financial circles to the invitation to bondholders to attend a Rio de Janeiro conference on bond payments. The invitation has been accepted by the bondholders' committee, and in the "City" approval was expressed of Brazil's proposal for payments on an "ability to pay" basis.

The continued outflow of Netherlands gold reduced gold holdings of the Netherlands Bank from 1,461,000,000 florins (about \$730,000,000) to 1,129,000,000 florins (about \$565,000,000) over the six months ending July 7.

The bank's gold stocks, however, were said to be sufficient to cover 88 per cent of current liabilities. There also are large stocks of gold held by the equalization fund, but the amount is unknown because the fund's transactions never are officially disclosed.

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BUDAPEST-(CORRESPONDENCE OF THE ASSOCIATED PRESS)-GERMANY AND ITALY

JULY-23

ARE BITTER RIVALS FOR SOUTHEAST EUROPE'S TRADE DESPITE THEIR CLOSE MILITARY AND POLITICAL TIES.

+57.5

COMPETING NAZI AND FASCIST SALESMEN ASK AND GIVE NO QUARTER IN THEIR SPIRITED CONTEST FOR BUSINESS IN THE BALKANS.

NAZI TRADE HAD INCREASED STEADILY--GENERALLY AT THE EXPENSE OF ITALY--AND THAT MAKES THE COMPETITION ALL THE MORE FURIOUS.

EVERY SORT OF PREMIUM, DISCOUNT AND ADVANTAGE IS EMPLOYED BY THE COMPETITORS. MANY A FIST FIGHT ON BALKAN SLEEPING CARS OR IN CARARETS BETWEEN GERMAN AND ITALIAN COUNTERPARTS OF THE OLD-FASHIONED DRUMMER TESTIFIES TO THE STRUGGLE.

GEOGRAPHY HAS CAST THE NAZI AND FASCIST SALESMEN AS COMMERCIAL OPPONENTS IN HUNGARY, YUGOSLAVIA, RUMANIA, BULGARIA, TURKEY AND GREECE.

ITALY'S SHARE OF WORLD TRADE DROPPED FROM 2.9 PER CENT OF THE TOTAL IN 1929 TO 2.5 PER CENT IN 1938. MUCH OF THAT LOSS WAS TO THE NAZIS IN SOUTHEAST EUROPE.

BALKAN ECONOMIC EXPERTS DECLARE A LOWERING OF THE ITALIAN STANDARD OF LIVING IS ATTRIBUTABLE DIRECTLY TO GERMAN COMPETITION IN THIS AREA.

ONLY IN HUNGARY HAS ITALY'S TRADE INCREASED TO ANY APPRECIABLE DEGREE, HUNGARIAN FIGURES SHOW, AND THAT FOR THE MOST PART IS DUE TO POLITICAL REASONS.

THE BUDAPEST GOVERNMENT, ANXIOUS TO KEEP OUT OF NAZI POLITICAL INFLUENCE, DELIBERATELY HAS SWUNG MUCH TRADE TO ROME.

IN 1933 GERMANY SUPPLIED SOUTHEAST EUROPE WITH 19

5 PER CENT

OF ITS IMPORTS. IN 1937 IT WAS 35 PER CENT.

ITALY'S SHARE OF THE AREA'S IMPORTS WAS EIGHT PER CENT IN 1929. THE FIGURE FELL TO SIX PER CENT IN 1937.

BOTH AUSTRIA AND DZECO-SLOVAKIA WERE IMPORTANT CONTRIBUTORS TO SOUTHEASTERN EUROPEAN TRADE AND THEIR ABSORPTION INTO GREATER GERMANY HAS INCREASED THE NAZI HOLD ON COMMERCE THERE. LAST YEAR GERMANY SUPPLIED 42 PER CENT OF THE AREA'S IMPORTS AND TOOK 45 PER CENT OF ITS EXPORTS.

MONEY VALUES OFFER ONE COMPARISON OF THE CHANGE.

IN 1929 ITALIAN TRADE WITH SOUTHEAST EUROPE AMOUNTED TO 2,405,000,000 LIRE (\$126,503,000). LAST YEAR IT WAS 1,865,000,000 LIRE (\$98,099,000).

GERMANY, ON THE OTHER HAND, BOOSTED HER SHARE FROM 1,251,000,000 MARKS (\$500,400,000) IN 1929 TO 1,347,000,000 MARKS (\$538,800,000) IN 1938.

UNLISTED IN THE NAZI STATISTICS ARE HER HUGE ARMAMENTS EXPORTS TO SOUTHEASTERN EUROPEAN COUNTRIES. THE LITTLE NATIONS ARE BUYING FROM GERMANY WHAT THEY ONCE PURCHASED FROM HER AXIS PARTNER.

NAZI ACQUISITION OF CZECHO-SLOVAKIA'S VAST SKODA WORKS IS EXPECTED BOOST GERMAN SALES SINCE YUGOSLAVIA AND RUMANIA, SKODA-EQUIPPED, MUST BUY REPLACEMENT PARTS AT LEAST FROM GERMANY OR JUNK THEIR EQUIPMENT.

Finland Stands Aloof

But, Although Peaceful, The Finns Will Fight Like Madmen To Defend Their Independence

By Elmer W. Peterson

Associated Press Foreign Correspondent

Helsinki, Finland, July 22—It may be a strong dose of imagination, or the calm of the midnight sun, but you arrive in Finland these days with the feeling of having found a peaceful park on the outskirts of war-feverish Europe.

The banging on the war drums becomes no more than an echo.

For, although the Finns would fight like madmen to defend their independence, they are fairly remote from the main area.

They have known war, and want no more of it.

Have No Designs

They have no designs on any other country, and can't see why any other country should have designs on them.

They think peacefully—and they sleep peacefully.

There are problems confronting this country, and certain fears and anxieties as well, but they are all tied to a stern conviction that Finland can, and must remain neutral in European discord.

Believe in Neutrality

You get a touch of this in talking to E. O. Erkko, Finland's Foreign Minister, who is large, deliberate, and amazingly soothing in speech and manner. There is nothing jittery about Mr. Erkko, who as a boy went to public school three years in Brooklyn, and who has been editor and publisher of the newspaper *Helsingin Sanomat* for years.

"We," declares Foreign Minister Erkko, "believe in our neutrality, and we will make every effort to stay neutral in any European conflict."

"A mere declaration of neutrality may not be sufficient."

"In that case we are prepared to defend our neutrality."

Fortifications Needed

In this connection, Mr. Erkko points out, the proposed fortification of the Aaland Islands must be regarded as a "practical necessity," and not necessarily an indication that Finland is threatening that her neutral position is threatened.

Russia has protested that she has a right to be consulted regarding such fortification, but Finland "is prepared to proceed independently with a defense program for the Aaland Islands."

Foreign Minister Erkko admits there was some public opinion in Finland in favor of signing a non-aggression pact with Germany, but states that the decision not to sign such a pact has since met with whole-hearted approval.

Pact With Russia

"We do not consider ourselves menaced by Germany. It is true that we have a non-aggression pact with Russia, but we have a common frontier with Russia and a declaration as regards frontiers was considered necessary."

As regards outside guarantees of Finland's neutrality, Foreign Minister Erkko dismisses this matter with the firm statement that "Finland does not need or want any such guarantees."

As regards the anti-aggression front, Finland's position is that she is heartily interested in the preservation of European peace, but that she does not want to be drawn into any groupings of large powers.

Suspicion Of Russia

Popular feeling in Finland meanwhile presents some curious divergencies in relation to present European politics.

A suspicion of Russia is as deep-seated as it has always been in this little country where there is rigid suppression of anything that flavors of Communism.

The man in the street is inclined to view with disfavor the Anglo-Russian-French negotiations. Talk of guarantees by Moscow, and Russia's protests over fortification of the Aaland Islands, have not diminished a belief that Russia may try to occupy Finland in emergency, as a measure of defense.

Sympathies Waver

Pro-German sympathies, on the other hand, have wavered since Prague was forced to hoist the Nazi flag.

These sympathies go far back, to such backgrounds as the training of the Jager battalion in Germany and the aid given by Germany in Finland's war of independence.

To determine Finnish opinion toward Europe, aside from the emphasis on neutrality, has, therefore, become difficult, although the preponderant sentiment seems to favor the Western powers, and this is encouraged by the fact that Finland's trade orientation is toward the west.

Some Fascist Tendencies

In the Finnish Parliament, for instance, one finds twenty-three Socialists who are not in favor of the Hitler régime and seven liberals who share this view. There are twenty unionists or conservatives who, in the past at least, have had leanings toward Germany. There is a Swedish party of twenty-one members who are conservative in tendency and fourteen members of the patriotic People's Movement, which has Fascist tendencies.

These groupings of sentiment are, however, merged in the general view that Finland's program must be one of neutrality, with a weather-eye cocked always in the direction of Russia. Any effort to disturb this neutrality by force will meet a determined resistance.

Finland Ready

With a small but excellent army, and with a large volunteer corps, Finland today gives full attention to national defense. Desirous of peace, but thoroughly jealous of her independence, Finland is ready for all eventualities. In 1938, Finland had a total military budget, both current and capital expenditure, of 1,204,000,000 marks (about \$25,000,000) and this year the budget amounts to 1,508,100,000 marks.

All told, Finland means business as regards neutrality and maintaining her independence.

All you have to do to appreciate this is to hear the Finns say "Suomi," Finnish for "Finland," for in the tone alone is conveyed the high spirit of a small country that hasn't had time yet to have any illusions about international affairs.

BERLIN DISAVOWS PEACE LOAN TALK

Officials Deny Wohlthat Was Authorized To Negotiate Terms With Britain

Press Interprets Tokyo Agreement As Slap At English Prestige

[By the Associated Press]

Berlin, July 24—German authorities tonight declared Dr. Helmuth Wohlthat was authorized neither to discuss nor to carry back to Berlin any plan for "buying off" Germany by economic concessions or a loan on his recent London visit.

So eager was the German Government to disassociate Wohlthat, negotiator of important German trade treaties and Field Marshal Goering's right-hand man in economic matters, from connection with such a reported British-discussed appeasement plan that an official Government denial was issued through the Government news agency, DNB.

A Foreign Office spokesman said Wohlthat had met R. S. Hudson, British Secretary for Overseas Trade, and other important Englishmen at their request and termed the conversations a purely "private exchange of views concerning economic problems."

Makes Outright Denial

Asked whether Wohlthat had brought back a British plan for submission to the German Government, the spokesman replied with a categorical "no."

"All such talk belongs to the realm of political fantasy," he said, adding that there was no intention of bringing Wohlthat into German-Soviet trade negotiations which are now under way.

His reference to the German-Soviet talks was seized on by another official spokesman, however, to point out that the existence of such negotiations might well be regarded as a sign of lessening international tension.

Attempting Accord

He said trade negotiations did not necessitate a political agreement, but showed at least that the two nations were trying to make term arrangements of a pact while the world is jittery in war.

German newspapers interpreted the British-Japanese agreement on Far Eastern negotiations as a slap at British prestige, and as a sign of optimism over Soviet-German negotiations.

The press also told Britain that Germany never would let disarmament, colonies or other questions become questions of economic bartering.

Adolf Hitler's *Voelkischer Beobachter* branded as "insane" the plan said to have been discussed in London for a loan to Germany in return for a pledge of partial disarmament.

"Unexampled Nerve"

"Details (of the plan) fully confirm the impression of unexampled nerve," the paper said. "In a shameless and saucy tone German affairs are about as though a defeated were to be dictated to."

NAZI POLICE RESTLESS

One a Suicide Near Prague, Others Homesick.

PRAGUE, July 24 (A. P.).—The body of a German policeman believed to have been dead about six weeks was found today by farmers in a cornfield near Kolin, a Bohemian town forty miles from Prague. Officials expressed belief that he committed suicide.

There has been some complaint among the German police that they were homesick and wished to see their families. Trucks filled with policemen arrived here yesterday and the populace surmised that they were replacements.

Meanwhile reports received here said that Jews in the nearby towns of Pribram and Dobris were beaten and their property damaged on Saturday night.

Some thirty or forty Czech Fascists arrived in a bus first at Pribram, the reports said, and later turned up in Dobris.

ZOG'S PROPERTY IS SEIZED

Italy Accuses Him of 'Pillage, Thefts and Outrages'

TIRANA, Albania, July 24 (A. P.).—Confiscation of all property of former King Zog and his principal advisers was ordered today by the Italian authorities.

A commission had decided on the step as a penalty for "anti-national activities." It charged the exiled Zog and his lieutenants with "acts of pillage, thefts and outrages," and said fascist justice intended to punish those who "defrauded the Albanian people of its every right and of that minimum of well-being necessary for civilized life" while "reveling in the luxury and riches created by the blood and sweat of Albanian citizens."

Zog and his Queen, when Italy took over the country in May. They are traveling in Europe and plan eventually to live in England or France.

NAZIS REPORT NEW POLISH INCIDENT

Rifle Fire Exchanged With Danzig Border Guards

BERLIN, July 24 (A. P.).—A new "border violation by a Polish reconnaissance group," which resulted in an exchange of rifle fire with Danzig border patrols, was reported from Renneberg today by the official German news agency, D. N. B. No one was injured.

The Danzig Government made energetic representations to Polish diplomatic representatives, D. N. B. said.

LEADER SAYS DANZIG PUTS FAITH IN HITLER

Foerster Confident of Reunion —Border Violation Charged

BERLIN, July 24 (A. P.).—The Danzig Nazi leader, Albert Foerster, declared anew tonight "our unshakable belief that Adolf Hitler will lead these 400,000 countrymen separated from the Reich into the motherland."

Writing in the German Chancellor's newspaper, the *Voelkischer Beobachter*, under the heading "The Truth About Danzig," Herr Foerster said preparations had been made in the Free City "to make any coup de main or surprise attack hopeless."

"There is for all of us an entirely clear and unmistakable watchword which includes but one name, and that is 'Adolf Hitler,'" he wrote.

"His commands have been for years—and today especially so—exactly as holy and inviolable to us as to the 80,000,000 in the Greater German Reich."

Herr Foerster said the report that German soldiers had been brought into Danzig was "one among many of the lies spread in the foreign press."

"The entire world, and above all our Polish neighbors, should know that there are enough men in Danzig, determined and courageous every minute, to defend their homeland to the last drop of blood if it must be," he declared.

The official German news agency reported from Renneberg a new "border violation by a Polish reconnaissance group" which resulted in an exchange of rifle fire with Danzig border patrols. No casualties were reported.

WARSAW, Poland, July 24 (A. P.).—Statements of Albert Foerster, Danzig Nazi leader, concerning Danzig preparedness were accepted by Poles as an admission that the Free City is now fortified.

Herr Foerster's declarations accentuated a belief among Poles that Germany was building toward a new period of sharp crisis in Eastern Europe and were regarded as basically "provocative."

"We know what military preparations have been made in Danzig," said a responsible Pole, "and it can be said that when, from a military viewpoint, such preparations reach a climax Poland will take appropriate steps."

Chamberlain Denies Loan Plan To Buy Peace From Germany

Prime Minister Tells Commons None of Cabinet Knew of Hudson's Informal Offer—British Public Aroused.

LONDON, July 24 (A. P.).—Confronted with suggestions by the opposition that he was trying to buy peace with Germany, Prime Minister Chamberlain declared in the House of Commons today that "there is no proposal for a German loan" now under consideration.

Questioned about reports that R. S. Hudson, British Secretary for Overseas Trade, and Dr. Helmuth Wohlthat, German trade expert, had discussed a scheme to lend Germany \$5,000,000,000, Mr. Chamberlain said:

"The Cabinet knew nothing about these conversations, nor did any other Minister other than the Minister concerned."

Arthur Greenwood, deputy leader of the Labor party, who earlier had warned the Prime Minister against dealing with the idea of appeasement, jumped up and asked:

"Can we take it that there is no intention on the part of the Government now to begin discussions which might look like bribery to Herr Hitler in order to buy peace?"

"It is not the intention of the Government to initiate any discussions of this kind," Mr. Chamberlain replied.

Lords Hear From Halifax.

Meanwhile Foreign Secretary Lord Halifax told the House of Lords that the so-called "appeasement" talks between British and German

representatives were entirely of his own making.

He declared that Mr. Hudson was in no sense a representative of the British Government.

Dr. Wohlthat, who had been attending the talks, had no official status, and the two took no part in the discussions.

Lord Halifax said that Mr. Hudson had reported to him that the question of removing existing trade barriers had been discussed and that this led to talk of financial steps which might have to be taken to overcome the difficulties.

Any views expressed were Mr. Hudson's own, Lord Halifax said, and added that Mr. Hudson had

am aware, Herr Wohlthat's mission did not extend beyond these matters.

"In the course of other visits in recent years to this country Herr Wohlthat has met a number of officials and others who are concerned with trade and economic questions affecting the two countries, consideration of these matters forming part of Herr Wohlthat's normal duties.

Meeting is 'Not Unusual.'

"It was, accordingly, in no sense unusual that the Secretary to the Department of Overseas Trade and Herr Wohlthat should meet and should discuss subjects in which they are mutually interested and for which they are respectively responsible in their official capacities.

"The Secretary to the Department of Overseas Trade has reported to me that the conversation turned to steps that might be taken to produce improvements in foreign trade of the principal manufacturing countries.

"In this connection the secretary to the department for overseas trade, pointing out that a solution of political questions was a necessary preliminary, discussed what might be done to remove existing barriers to development of international trade, including barter agreements, exchange restrictions, import quotas and so forth.

"Discussions of economic questions of this character led to a discussion of financial steps that might have been taken to overcome initial difficulties and the secretary to the department of overseas trade—who throughout emphasized that he was only expressing a personal view and having in mind a stipulation that restoration of international confidence is a necessary preliminary—said he thought that, assuming that international confidence had been restored, there should be scope for cooperation on this matter on the part of the principal countries concerned.

"It will be seen from this account that there is no justification whatever for stating or for assuming that these remarks, arising in the course of an unofficial conver-

sation, constitute a proposal for a loan by this country to Germany."

Similarly tranquil, the Prime Minister supported Sir Horace Wilson, the Government's chief industrial adviser who repeatedly has been called Mr. Chamberlain's "appeaser number one."

One Laborite asked if the Prime Minister could say "quite categorically" that no "high-placed official" had discussed any \$5,000,000,000 deal with Dr. Wohlthat.

"This, I suppose, is a repetition of the usual attacks on Sir Horace Wilson," Mr. Chamberlain said. "Sir Horace has frequently seen Herr Wohlthat on his visits to this

country and he saw him again on his recent visit, but he did not discuss with him any of the matter which I have alluded to in my description of this conversation."

The Prime Minister indicated, however, that even he did not know the whole story of the Hudson-Wohlthat talks.

Sir Percy Harris, opposition Liberal, asked who was responsible for leakage of the loan scheme talks to the press.

"That is a question to which I would very much like to know the answer myself," Mr. Chamberlain said.

The uproar that has developed over the Hudson talks is the greatest directed against any one connected with the Government since last April, when Lord Stanhope, First Lord of the Admiralty, was censured for making a public speech about naval preparedness which caused alarm.

Hudson Makes His Report.

Mr. Hudson declared last night that he had given a full report of his talks to Mr. Chamberlain. He called the talks "purely personal," but his critics used such terms as "rank indiscretion" and "meddling" and suggested that he might be forced to resign.

The Government was quick to disavow any connection with a "peace talk," but, nevertheless, the report had the effect of increasing doubt in the minds of some opposition leaders as to whether the Prime Minister had entirely abandoned his so-called appeasement policy.

Mr. Hudson said that he had discussed with Dr. Wohlthat the possibilities of a big loan to aid German economy in return for disarmament arrangements. Indicative of the trend of attack against him was the statement of the Daily Mail that his position in the Government had been compromised as a result of "denials and counter-denials" in connection with his meetings with Dr. Wohlthat.

Chamberlain Faces Attack.

A Foreign Office spokesman on Saturday said that "all talk of a large loan to Germany in return for partial disarmament" was "absolutely unofficial and purely academic."

"Anti-appeasement" leaders were expected to press Mr. Chamberlain for assurance that there would be no "peace" talks with Germany

without parliamentary approval. Some members of Parliament hinted at an attempt to postpone the parliamentary recess, now scheduled to begin on August 4.

Mr. Hudson said that he met Dr. Wohlthat at the suggestion of the German embassy. Their discussions of trade problems, it was said, turned to a disarmament scheme involving a big international loan to smooth German economy, future discussions looking to a division of world trade among various Powers and the question of German access to African colonies.

Mr. Hudson said that he had made it abundantly clear to Dr. Wohlthat that their conversation was unofficial and "that anything that I might say was entirely my personal opinion."

"My talk with Herr Wohlthat," he added, "was strictly confidential and I understand it was he himself who made it public."

Diplomats Are Skeptical.

Some members of London's diplomatic corps refused to believe that Mr. Hudson, a junior minister, talked with Mr. Wohlthat without the knowledge of at least some members of the Cabinet. In fact some diplomats here wondered if the scheme actually originated with Mr. Hudson. During and after the Munich settlement over Czechoslovakia, Mr. Hudson definitely was identified with the "anti-appeasement" group.

IN NOVEMBER OF LAST YEAR HE OPENLY TOLD GERMANY: "UNLESS YOU ARE PREPARED TO SELL YOUR GOODS AT PRICES WHICH REPRESENT A FAIR AND REASONABLE RETURN WE WILL FIGHT YOU AND BEAT YOU AT YOUR OWN GAME."

HE FOLLOWED THIS STRONG STATEMENT BY LEADING A REVOLT OF JUNIOR MINISTERS AGAINST THE STATE OF THE GOVERNMENT'S PREPAREDNESS. HE IDENTIFIED HIMSELF WITH THE DRIVE TO OUST LESLIE HORE-BELISHA AS WAR MINISTER AND EVEN OFFERED TO RESIGN WHEN CHAMBERLAIN REFUSED TO ACCEDE. CHAMBERLAIN THEN REJECTED HIS RESIGNATION. IN VIEW OF THIS RECORD, LONDON DIPLOMATIC CIRCLES FOUND IT DIFFICULT TO BELIEVE HUDSON SHOULD NOW ON HIS OWN INITIATIVE COME FORWARD WITH A SCHEME TO APPEASE THE REICH.

HUDSON WAS SCHEDULED TO GO TO BERLIN WITH THE PRESIDENT OF THE BOARD OF TRADE, OLIVER STANLEY, LAST MARCH TO DISCUSS BRITISH-GERMAN TRADE RELATIONS, BUT THE TRIP WAS CANCELED WHEN THE GERMANS MARCHED INTO PRAGUE. HE DID, HOWEVER, GO TO MOSCOW, HELSINGFORS AND OTHER NORTHERN EUROPEAN CAPITALS TO DISCUSS TRADE MATTERS.

HUDSON IS 52. HE MARRIED AN AMERICAN GIRL, HANNAH RANDOLPH, DAUGHTER OF P.S.P. RANDOLPH, OF PHILADELPHIA, A DESCENDANT OF VIRGINIA'S JOHN RANDOLPH. HUDSON VISITED THE NEW YORK WORLD'S FAIR RECENTLY.

HE LONG HAS BEEN NOTED FOR HIS FRANKNESS AND, BEING OUT OF THE CABINET AND YET STILL IDENTIFIED WITH THE GOVERNMENT, HE MIGHT HAVE BEEN CONSIDERED AN IDEAL PERSON, SOME OBSERVERS SUGGESTED, TO MAKE A PRELIMINARY APPROACH TO GERMAN OFFICIALS.

DESCRIBING THE DISCUSSION XXX TWELFTH GRAPH.

DESCRIBING THE DISCUSSION BETWEEN HUDSON AND WOHLTHAT AS AN "ENTIRELY UNOFFICIAL AND MEDDLESOME PROJECT," THE DAILY MAIL SAID THAT "THE PRIME MINISTER MUST LOSE NO TIME IN DISASSOCIATING THE BRITISH GOVERNMENT FROM ANY CONNECTION WITH THE SUPPOSED OFFER TO GERMANY."

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THE REPORT WAS DESCRIBED BY THE DAILY HERALD AS "A STORY OF A PROPOSAL TO WIN HITLER'S GOOD BEHAVIOUR WITH FINANCIAL PLUNCAGE AND COLONIAL SUGAR CANDY."

INCREASED PRESSURE FOR CONCLUSION OF THE PROJECTED BRITISH-FRENCH RUSSIAN MUTUAL ASSISTANCE PACT ALSO CONFRONTED CHAMBERLAIN TODAY.

LABORITE HUGH DALTON GAVE NOTICE HE WOULD ASK THE GOVERNMENT IN COMMONS ABOUT PROGRESS OF NEGOTIATIONS FOR THE PACT, ADDING THAT "IF WE DO NOT GET A SATISFACTORY ANSWER THEN WE SHALL DEMAND A DEBATE IN PARLIAMENT AND HAVE A SHOWDOWN."

BERLIN. JULY 24-(AP)-THE GERMAN GOVERNMENT THROUGH ITS OFFICIAL NEWS AGENCY, DNB, FLATLY DENIED TODAY THAT DR. HELMUTH WOHLTHAT OFFICIALLY HAD DISCUSSED ANY "PLAN" DURING A VISIT TO LONDON.

THE STATEMENT SAID WOHLTHAT, GERMAN TRADE EXPERT, AND BRITISH SECRETARY FOR OVERSEAS TRADE R.S. HUDSON, MERELY HAD EXCHANGED VIEWS PRIVATELY ON ECONOMIC MATTERS AND ASSERTED THE INITIATIVE FOR THE TALKS CAME FROM BRITAIN.

(IN THE HOUSE OF COMMONS PRIME MINISTER CHAMBERLAIN SAID THE TALKS HAD BEEN "UNOFFICIAL" AND DENIED THAT THE BRITISH GOVERNMENT INTENDED STARTING DISCUSSIONS WITH GERMANY FOR A LOAN DESIGNED TO DRIVE HITLER FOR PEACE.)

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THE NEWSPAPER BOERSEN ABOUT BRITISH LOAN TO GERMANY IN RETURN FOR GERMAN USELESS AND DECLARED IT SHOULD HAVE BEEN SUPPRESSED BY CHAMBERLAIN.

"IT WOULD HAVE BEEN EASY FOR THE PRIME MINISTER TO SUPPRESS THE MANEUVER," SAID THE PAPER. "THE FACT THAT HE DID NOT DO IT PROVES THE INTENTION TO BRAND GERMANY BEFORE THE WORLD AS IN THE WRONG BY MAKING UNCLEAR REFERENCES TO AN ENGLISH PLAN OF APPEASEMENT WHOSE INACCEPTABILITY WAS OBVIOUS FROM THE BEGINNING."

LOKALANZEIGER TAUNTED BRITAIN WITH ACCUSATIONS OF LOSS OF PRESTIGE IN THE FAR EAST AND HAVING A TOPSY-TURVEY GOVERNMENT POLICY IN REGARD TO EUROPE.

"ENGLAND NEVER AGAIN WILL GET GERMANY INTO HER HANDS, THE PAPER SAID. "TO DANGLE BILLIONS OF POUNDS BEFORE US NO LONGER ACTS LIKE A SILVER STRIPE ON THE GERMAN HORIZON."

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WASHINGTON, JULY 24—(AP)—SECRETARY HULL SAID TODAY ROBERT S. HUDSON, BRITISH SECRETARY FOR OVERSEAS TRADE, HAD NOT BROACHED ANY IDEAS ON A LOAN TO GERMANY WHEN HE CONFERRED WITH HIM SEVERAL MONTHS AGO.

LONDON DISPATCHES REPORTED INFORMAL CONVERSATIONS BETWEEN HUDSON AND DR. HELMUTH WOHLTHAT, GERMAN ECONOMIC ADVISER, FOR A LOAN TO GERMANY. HUDSON WAS IN THE UNITED STATES RECENTLY WHEN THE BRITISH PAVILION AT THE NEW YORK WORLD'S FAIR WAS OPENED. HE CAME TO WASHINGTON AND CONFERRED WITH SECRETARY HULL AND FRANCIS B. SAYRE, ASSISTANT SECRETARY OF STATE.

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"WE SHOULD BE COWARDS AND IRRESPONSIBLE LEADERS IF WE DID NOT SEE THE DANGERS CONFRONTING US AND DID NOT PROTECT OURSELVES AGAINST THEM IN TIME," HE SAID, ADDING THAT DANZIG, WITH THE NATIONAL SOCIALIST PARTY AS ITS LEADER AND REPRESENTATIVE, "PROCEEDS ON THE WAY IT HAS RECOGNIZED AS RIGHT."

"EVEN IF WE ARE SEPARATED FROM THE REICH X X X WE WOULD LIKE TO LET ALL INIMICALLY MINDED STATESMEN OF THE WESTERN DEMOCRACIES AND IN POLAND KNOW THAT ADOLF HITLER, THE LEADER OF THE GERMAN PEOPLE, IS ALSO OUR LEADER."

HE SAID THE DANZIG QUESTION WAS BEING USED TO "AGITATE THE WORLD AGAINST THE REICH" AND THAT COMPLETE QUIET PREVAILED THERE WITH DANZIG CITIZENS "USING THE WARM DAYS TO REFRESH THEMSELVES ON THE SEACOAST."

HE ADDED THAT "AS LEADING WE WOULD BE ACTING IRRESPONSIBLY IF WE DID NOT TAKE MEASURES FOR OUR PROTECTION IN THE FACE OF CONSTANT POLISH THREATS AGAINST DANZIG AND THE DEMANDS COMING OUT IN POLISH NEWSPAPERS AND SPEECHES TO INCORPORATE DANZIG INTO THE POLISH STATE."

FORSTER SAID THE LEAGUE OF NATIONS HAD NAMED POLAND TO PROTECT DANZIG IN CASE OF ANY DANGER, "THUS SETTING THE FOX TO KEEP THE GEESSE."

"WHAT PERMITS US IN SUCH CRITICAL TIMES TO LOOK INTO THE FUTURE SO QUIETLY AND FULL OF FAITH IS THE SACRED CONVICTION THAT THE GREAT GERMAN REICH STANDS BEHIND US AS OUR MOTHERLAND AND WOULD COME IMMEDIATELY TO OUR HELP."

HITS SESSION F PARLIAMENT

Chamberlain Rejects Plan for 'Watchdog'

URGED FOR CRITICAL PERIOD

Members Fire Queries on China and Loan to Germany.

LONDON, July 25 (A. P.).—Prime Minister Chamberlain rejected today an opposition move to have Parliament remain active during August and September as a "watchdog" over the Government's foreign policy through a period which many believe will be critical.

Geoffrey L. Mander, opposition Liberal, proposed that Parliament meet once weekly during the recess, which is to start on August 4, but the Prime Minister said he could not consider such a step.

"In view of the very genuine anxiety throughout the country as to what may happen during the next two months and the desirability of keeping Parliament in touch with the situation, can he (Mr. Chamberlain) say what alternative proposal he has?" Mr. Mander then asked. "Will he consider a meeting once a fortnight?" Mr. Chamberlain did not reply.

Barrage of Questions Asked.

Opposition members renewed a barrage of questions on the Far Eastern situation and the recent visit of Dr. Helmuth Wohlthat, German economic negotiator, to London.

Arthur Henderson, Laborite, asked Oliver Stanley, president of the Board of Trade, whether the Federation of British Industries intended to reopen trade negotiations with German representatives.

Mr. Stanley said that the position "remains as announced by me after the events of March (the breakup of Czecho-Slovakia), that in view of the political situation the conversations had to be suspended."

Sir John Simon, Chancellor of the Exchequer, was asked whether the Government intended to support China's currency, in view of the new British-Japanese formula on China announced yesterday, in which Great Britain recognized "special requirements" of the Japanese forces in the occupied areas of China.

Mander Gets No R

F. J. Mander, Lib., asked that the Chinese dollar depreciated something cent since Great Britain establish her scheme and asked Government intended to allow Chinese dollar to seek its own economic level.

Sir John said the Government's position was unchanged.

P. J. Noel-Baker, Liberal, then asked if Sir John could "assure us that his Majesty's Government do regard it as a British interest that the exchange value of the Chinese dollar should be maintained."

Sir John replied that "no further action is under discussion at the present time."

Mr. Mander interrupted to ask, "Has not the Government surrendered to Japan in the Far East?" but he received no reply.

Chamberlain Pushes Plans For Recess Despite Fears

Opposes Suggestions For Keeping Parliament In Session During Months Of Expected Tension

[By the Associated Press]

London, July 25—Prime Minister Neville Chamberlain today pushed plans for adjournment of Parliament ten days hence despite a growing demand that it remain during the late summer to watch foreign policy.

Persons close to Chamberlain said he had no intention of postponing the two-month recess or of making arrangements to give Parliament supervision of his policies during the interim.

He showed his attitude in Commons today when Geoffrey L. Mander, Opposition Liberal, suggested that Parliament meet once weekly during August and September, which many fear will be months of European tension.

Opposes Meetings

Chamberlain said he could not consider such a move and then refused to answer when Mander said there was "very genuine anxiety throughout the country as to what may happen during the next two months" and

asked whether the Prime Minister had any alternative proposal for keeping Parliament in touch with the situation.

Today Sir John Simon, Chancellor of the Exchequer, expressed regret that negotiations on a loan to Poland had not been concluded in time for the necessary enabling legislation to be passed before the recess.

Loan Is Additional One

This loan—by the French and British governments—was to have been in addition to the £8,000,000 (\$37,400,000) credit Britain already has agreed to give Poland for purchase of war supplies in British markets.

Some members of Parliament profess to fear that once Parliament is adjourned Chamberlain might refuse to call a special session, as he did at the beginning of the Czecho-Slovak crisis last September.

Lord Lloyd has given notice that he will propose that Parliament continue in full session.

Progress Noted On 3-Power Pact

London, July 25 (AP)—Reports circulated in well-informed circles tonight that "substantial progress" has been made toward the long-negotiated three-power pact of Soviet Russia, Britain and France.

The reports grew following a conference of Ivan Maisky, Soviet Ambassador, with Lord Halifax, Foreign Minister.

The Daily Mail said it had information that arrangements were being made "for staff talks to be opened between the three powers."

DUAL MOTIVE N RUSSO-REICH PARLEY SEEN

Germany Is Said To Regard Trade Talks As Warning To Poland

By LOUIS P. LOCHNER
Associated Press Writer

Berlin, July 25—Nazi Germany and Communist Russia, ideological opposites, have embarked at a time of grave international tension upon trade negotiations, announcing to the world that they are desirous of increasing commerce between them.

Neither side believes it is yielding in its abhorrence for the political system of the other by perfecting machinery for bartering Russian raw materials against German industrial products.

That trade talks are resumed at this particular time is significant. It is evident from utterances and attitudes on both sides that these trade talks fit into the political maneuvers of both powers.

Welcomes Negotiations

Foreign diplomatic quarters in Berlin are convinced that Joseph Stalin in Moscow welcomes the negotiations as a means of inducing the British and French to improve their offers for mutual aid pact with Russia.

They point to the fact that among the prominent persons who attended the Munich Art Festival, July 16, was the counselor of the Russian Embassy, George Astachoff, while representatives of the western powers were absent.

As for the Germans, their official spokesmen never fail to mention the possibility that Poland may find herself ground between the German and Russian millstones.

"And Ideal Partner"

They do not go so far as to say that a German-Russian alliance may result, but they do say that "a strong national Russia with the Jewish influence eliminated" would "make an ideal partner for a pact to which Germany is the other partner."

One reason for the publicity given at this time to the negotiations, even before they are concluded, is seen in some quarters to lie in the German desire to allay fears that the Reich may reach out for the Ukraine next.

It is well known to authorities here that administration of Bohemia and Moravia, heart of the late Czecho-Slovak republic, is causing many a headache to the Reich's protector. Responsible Germans are therefore in no mood to contemplate the addition of

further non-German sections of Europe such as Russia's Ukraine.

Scope Of Deals Explained

The purpose and scope of the present negotiations is explained by German authorities to be the following:

In 1928 a revolving credit of 300,000,000 Reichsmarks (about \$120,000,000) was established for the purchase of German industrial goods by Soviet Russia. This arrangement worked so well and the Russians met all their obligations so promptly that trade between the two nations soon reached a figure of 800,000,000 Reichsmarks (about \$320,000,000).

As ideological bitterness increased, however, between Nazi Germany and Communist Russia in the middle 1930's, this had an adverse effect upon trade relations. The volume decreased gradually until last year it was less than 100,000,000 reichsmarks (\$40,000,000).

Schacht Warnings Disregarded

Warnings of Dr. Hjalmar Schacht, then economics minister and resident of the Reichsbank, to the effect that Germany needed Russia both as a customer and as a source of raw materials were disregarded, and the Nazi party annual convention for several years was devoted in great measure to berating Soviet Russia.

With Germany's tremendous rearmament program, however, the need of better Russian-German relations became evident. The present negotiations are a result.

240 R. A. F. SHIPS FLY OVER FRANCE

Britain Puts on the Biggest Test Flight in Her History

LONDON, July 25 (AP)—Britain flapped her wings over Europe today in her most impressive show of aerial strength as 240 Royal Air Force heavy and medium bombing planes staged the greatest mass flight in the history of British aviation.

As the last wave of forty-two Hampden bombers was crossing the Channel for exercises over France, a first wave of sixty Blenheims was landing back in England after completing a round trip of about 750 miles in about three hours. The last flight regained its base successfully late in the afternoon.

The Air Ministry estimated that between 1,100 and 1,200 officers and men took part in the flights.

The routes taken covered such widely separated areas as Paris, Lyon, the southeastern corner of the Bay of Biscay and the Gulf of Lions.

Meet the "Enemy"

Throughout the journey over France the British planes were intercepted by French fighters and reconnaissance craft.

In the hundred and first Royal Airforce fatal accident since January 1, three crew members were killed last night when a battle plane on a night patrol flight crashed and burned in Norfolk. The number of deaths since January 1 was brought to 170.

German Planes Reported Seen High Above England

British Royal Air Force Keeping Close Watch On Coast For Aerial Intruders

[By the Associated Press]

London, July 25—The Royal Air Force was reported today to be keeping a "keen watch" on England's east coast following the appearance in recent weeks of German military aircraft which may have actually crossed the English coast line.

The report was made by Capt. Norman MacMillan, the Daily Mail's air correspondent.

The German machines apparently have been engaged either on "specific exercises or normal routine training flights," Captain MacMillan wrote.

He added that they had been noted particularly in the vicinity of the Thames and other river estuaries "on a number of occasions in the past few weeks."

It was pointed out that there was nothing in international law to prevent foreign military aircraft from carrying out exercises up to the three-mile limit off the coast.

But MacMillan asserted, "there is evidence, however, that certain German planes, flying at great heights, either singly or in groups of three, have actually crossed the English coast line."

"It is possible, of course," MacMillan wrote, "that faulty navigation by the German pilots is the explanation." In any event, he added, the planes had been "spotted by the R. A. F."

"Fast climbing machines, including Hurricane and Spitfire fighters, each capable of climbing 15,000 feet in six minutes, have been put into the air at once to observe and identify them. Full reports have been passed on to the proper authorities."

MacMillan said the German craft were first reported over the United Kingdom's territorial waters before Britain's first mass training flights to France July 14, so "there can therefore be no connection between these flights and the long-distance training flights of the R. A. F. over France."

Meanwhile, roaring back to their bases without mishap, 240 Royal Air Force bombers tonight completed a roundtrip flight across the English

Channel to France in Britain's most ambitious demonstration of her military wings.

The mass flight sent waves of droning bombers at 300 miles an hour over France, Britain's continental ally, where the man on the street greeted them with bravos for "Les Anglais."

From 1,100 to 1,200 officers took part, gaining not only practice in crossing the channel, but an idea of what it feels like to be attacked, for speedy French chasse took to the air to fight off the invaders.

The first group of planes reached Paris at 11 A. M., and had returned to their base, after flying 750 miles, by the time the last group was taking off three hours later.

The heaviest machines flew to the Bay of Biscay, and across southern France to the Gulf of Lions in the Mediterranean in an eight-hour non-stop trip, covering 1,600 miles.

Reich Staging Biggest Air-Defense Maneuvers

Berlin, July 25 (AP)—The German Air Force, which the Nazis claim is the most formidable in Europe, tomorrow will give the Berlin district an idea of what concentrated bombing attacks on a great population center will mean in wartime.

The most extensive anti-aircraft defense exercises in German history will begin tomorrow and continue for an undisclosed number of days.

Defense Training Sought

Approximately every tenth Berliner somehow will be engaged actively in carrying out protective measures. The others will disappear from the streets and seek shelter in air-raid cellars.

The purpose of the exercise is to give practical training to the tens of

From Page 17

thousands who have been made responsible for air-raid defense. For instance, every one of 100,000 apartment houses has an anti-air-raid organization consisting of representatives of the various households.

In addition there are thousands of men and women especially trained in fastening gas masks, rendering first aid to gassed or injured persons, removing debris caused by bomb hits, managing and provisioning subterranean shelters and performing similar tasks.

To Teach Citizenry

Another purpose of the maneuvers is to imbue the populace with the fact that air attack in modern times is not beyond the range of possibility and that therefore it behooves every citizen to know what he must do in case of attack.

The air will reverberate tomorrow and on ensuing days with the roar of bombers carrying out sham attacks. Whenever the sirens warn that "enemy" planes have been sighted, every person will be required to flee to the nearest anti-aircraft cellar. Automobiles must be parked in the nearest side street.

For the duration of the exercises a complete blackout will be a feature of every evening. All windows must be darkened and car owners must obtain special hoods for their lights.

IN REPLY TO ANOTHER QUESTION SIR JOHN SAID BRITAIN ALREADY HAD AGREED TO GIVE POLAND CREDITS OF £5,000,000 (ABOUT \$37,400,000) BUT THAT THE TWO COUNTRIES HAD NOT REACHED AN AGREEMENT ON A BRITISH CASH LOAN TO POLAND.

HE ADDED THAT THERE WAS NOT TIME NOW TO GET THE NECESSARY LEGISLATION FOR SUCH A LOAN PASSED BEFORE PARLIAMENT RECESSES.

THE LOAN UNDER DISCUSSION WAS UNDERSTOOD TO BE FOR £5,500,000 (ABOUT \$39,500,000), TO BE PROVIDED BY THE BRITISH AND FRENCH GOVERNMENTS.

EXPRESS

EDON, J. 25-(AP)-A CAMPAIGN TO KEEP A PARLIA

GUARD ON BRITISH FOREIGN POLICY DURING THE SUMMER RECESS SPREAD IN BOTH LIBERAL AND CONSERVATIVE POLITICAL QUARTERS TODAY.

IT WAS REFLECTED IN WIDESPREAD DISSATISFACTION WITH BOTH THE BRITISH-JAPANESE AGREEMENT AND THE OFFICIAL EXPLANATIONS OF "PRIVATE" CONVERSATIONS BETWEEN BRITISH AND GERMAN GOVERNMENTAL TRADE REPRESENTATIVES LAST WEEK.

PARLIAMENT IS DUE TO RECESS AUG. 4 FOR ABOUT TWO MONTHS BUT CAN BE REASSEMBLED ON SHORT NOTICE. OPPOSITION QUARTERS RECALLED, HOWEVER, THE DIFFICULTY THEY EXPERIENCED LAST SUMMER IN PERSUADING PRIME MINISTER CHAMBERLAIN TO RECALL PARLIAMENT DURING THE CZECHO-SLOVAK CRISIS.

PARLIAMENT REASSEMBLED ONLY ON THE EVE OF THE MUNICH CONFERENCE, AFTER CHAMBERLAIN ALREADY HAD FLOWN TWICE TO SEE ADOLF HITLER.

CHAMBERLAIN HAS SHOWN NO SYMPATHY TOWARD VARIOUS MOVES SUGGESTED TO MAINTAIN A PARLIAMENTARY CHECK ON FOREIGN POLICY DURING THE SUMMER.

THE SUCCESS OF ANY OF THEM IS DOUBTFUL IN VIEW OF THE LARGE GOVERNMENT MAJORITY IN PARLIAMENT. BUT THE STRENGTH OF THE CAMPAIGN, IN WHICH SOME LEADING ANTI-AGGRESSION CONSERVATIVES ARE JOINING, MAY RESULT IN A COMPROMISE BY WHICH CHAMBERLAIN WOULD AGREE BEFORE THE RECESS THAT PARLIAMENT WOULD BE RECALLED AT THE FIRST SIGN OF CRISIS.

A WIDELY-DISCUSSED PLAN TODAY WAS FOR THE HOUSE OF COMMONS TO REMAIN TECHNICALLY IN SESSION DURING THE SUMMER BUT TO MEET ONLY AT INFREQUENT INTERVALS. THE YORKSHIRE POST, WHICH USUALLY REFLECTS THE VIEWS OF FORMER FOREIGN SECRETARY ANTHONY EDEN, ADVOCATED THIS COURSE.

THE MORE CONSERVATIVE PRO-GOVERNMENT PRESS, SUCH AS THE TIMES, THE DAILY TELEGRAPH AND THE DAILY MAIL, CONTENDED THE BRITISH-JAPANESE AGREEMENT UNDER WHICH BRITAIN RECOGNIZED THE "SPECIAL REQUIREMENTS" OF THE JAPANESE FORCES IN THE AREAS THEY CONTROL IN CHINA.

1555

OTHER CONSERVATIVE ORGANS, HOWEVER, INCLUDING THE YORKSHIRE POST, AND THE LIBERAL PRESS SHARPLY CRITICIZED THE AGREEMENT.

DECLARED THE LIBERAL MANCHESTER GUARDIAN: "EITHER THE GOVERNMENT HAS DECEIVED ITSELF OR IT HAS DECEIVED CHINA; IT IS NOT LIKELY TO DECEIVE JAPAN FOR LONG."

LONDON, JULY 25--(AP)--ROARING BACK TO THEIR BASES WITHOUT MISHAP, 240 ROYAL AIR FORCE BOMBERS TONIGHT COMPLETED A ROUNDTrip FLIGHT ACROSS THE ENGLISH CHANNEL TO FRANCE IN BRITAIN'S MOST AMBITIOUS DEMONSTRATION OF HER MILITARY WINGS.

JUN 26 1939
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THE MASS FLIGHT SENT WAVES OF DRONING BOMBERS AT 300 MILES AN HOUR OVER FRANCE, BRITAIN'S CONTINENTAL ALLY, WHERE THE MAN ON THE STREET GREETED THEM WITH "LES ANGLAIS."

FROM 1,100 TO 1,200 OFFICERS TOOK PART, GAINING NOT ONLY PRACTICE IN CROSSING THE CHANNEL BUT AN IDEA OF WHAT IT FEELS LIKE TO BE ATTACKED FOR SPEEDY FRENCH CHASERS TOOK TO THE AIR TO FIGHT OFF THE "INVADERS."

WHAT THE SCORE WAS ONLY HIGH OFFICIALS IN FRENCH AND ENGLISH AIR MINISTRIES KNEW--AND THEY WOULDN'T TELL.

THE FIRST GROUP OF PLANES REACHED PARIS AT 11 A. M., AND HAD RETURNED TO THEIR BASE AFTER FLYING 750 MILES BY THE TIME THE LAST GROUP WAS TAKING OFF THREE HOURS LATER.

THE HEAVIEST MACHINES FLEW TO THE BAY OF BISCAY AND THE GULF OF LIONS IN AN EIGHT-HOUR NON-STOP TRIP COVERING 1,600 MILES.

JUN 26 1939

THE APPEARANCE OF THE BRITISH WAR BIRDS OVER FRANCE WAS GREETED WITH JOY BY FRENCHMEN IMPRESSED BY THE INCREASING AIR STRENGTH OF THEIR ALLY.

WORKED STOPPED IN FRENCH PROVINCIAL TOWNS AS THE SHIPS SPED OVER BUT AIR-CONSCIOUS PARISIANS, ALTHOUGH IMPRESSED, REFUSED TO GET EXCITED.

ON THE CHANNEL COAST AND AT OTHER STRATEGIC SECTORS THROUGHOUT FRANCE WATCHERS SAW THRILLING ~~MOCK~~ MOCK BATTLES.

FRENCH ANTI-AIRCRAFT "LISTENERS" CAUGHT THE ROAR

✓

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30.24-2503
OF THE APPROACHING SHIPS AND THE SWIFT FRENCH ATTACKERS
CLINED ~~IN~~ INTO THE SKY TO INTERCEPT THE ~~2~~ "INVADERS" AND
ENGAGE THEM IN MOCK DEFENSIVE BATTLES.

THE FRENCH AIR MINISTRY, FOLLOWING ITS RULE ON TWO
EARLIER BRITISH TRAINING FLIGHTS TO FRANCE, HAD NOTHING TO
SAY ON THIS ~~MINUTE~~ "LATEST AND GREATEST INVASION."

THE FRENCH PRESS CARRIED LITTLE MORE THAN LONDON
DISPATCHES ON THE DEMONSTRATION, LINKING IT WITH THE
THIRTEENTH ANNIVERSARY OF LOUIS BLERIOT'S ^{first} FLIGHT ACROSS
THE CHANNEL AND AIR MINISTER GUY LA CHAMBRE'S TALK IN LONDON
WITH BRITISH AIR MINISTRY OFFICIALS.

A ROYAL AIR FORCE BOMBER AND A HAWKER FIGHTING PLANE,
WHICH WERE NOT CONNECTED WITH THE DEMONSTRATION, COLLIDED
OVER OPSLEY, KILLING BOTH PILOTS. A SECOND OCCUPANT OF THE
BOMBER ESCAPED BY PARACHUTE.

JUN 26 1939
IN ANOTHER ACCIDENT LAST NIGHT, A WARPLANE CRASHED AND
BURNED IN NORFOLK, KILLING ITS THREE CREWMEN.

30.24-2503
LONDON, MAY 25 (AP) — FRENCH AIR MINISTER
IN AN APPARENT REFERENCE TO GERMANY, THAT
GUY LA CHAMBRE SAID TONIGHT THE VOLUME OF BRITISH-FRENCH
AIRCRAFT CONSTRUCTION "IS ON THE SAME SCALE AS THE OUTPUT
OF THAT NATION WHICH FIRST LAID UPON MANKIND THE BURDEN OF THIS
RUINOUS COMPETITION."

"TOMORROW, IF NECESSARY, IT WILL BE TWICE AS
GREAT," HE ADDED.

^{London}
LA CHAMBRE SPOKE AT A DINNER COMMEMORATING
LOUIS BLERIOT'S FIRST FLIGHT ACROSS THE ENGLISH CHANNEL.

AT THE SAME TIME IT WAS DISCLOSED THAT
BRITAIN'S IMPERIAL AIRWAYS HAD SIGNED AN AGREEMENT WITH
AIRFRANCE FOR INCREASING THE LONDON-PARIS SERVICE.

OFFICIALS SAID THE TWO COMPANIES WOULD POOL
THEIR RESOURCES AND SHARE RECEIPTS ON LONDON-PARIS FLIGHTS.

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AIR MINISTER SIR KINGLSEY WOOD, MENTIONING TODAY'S MASS
FLIGHT, SAID "MANY RETURN VISTS" FROM FRANCE WERE EXPECTED.
QUESTS AT THE K DINNER INCLUDED WIFE OF BEERHOT, WIDOW
OF THE INITIAL CHANNEL FLIER.

NAZIS ENDING BENES' CZECH CITIZENSHIP

Say Ex-President Will Be First
To Lose That And Property
Under New Law

[By the Associated Press]
Reichenberg, Germany, July 25 —
Eduard Benes, former President of
Czecho-Slovakia, will be the first
"emigrant" of the Bohemia-Moravia
section of the partitioned republic
to lose Czech citizenship under an
impending law, Konrad Henlein's
newspaper, Die Zeit, said today.

This organ of the Sudetenland Gov-
ernor reported that Emil Hacha, Presi-
dent of the Protectorate of Bohemia-
Moravia, presided over a Ministerial
Council yesterday in which the new
disfranchisement law was discussed.

The law would enable the protector-
ate government to "annul protectorate
citizenship of Czech instigators abroad
and to confiscate their properties,"
Henlein's paper said.

It added that Benes would be the
first to whom the law would be ap-
plied. Czech Jews who emigrated after
establishment of the protectorate
doubtless also would be affected
greatly.

Y DEWITT MACKENZIE
ASSOCIATED PRESS FOREIGN AFFAIRS WRITER
NEW YORK, JULY 25--THAT UNOFFICIAL "PEACE" PARLEY IN LONDON BETWEEN
A JUNIOR CABINET OFFICER AND A GERMAN REPRESENTATIVE IS RATHER A HOPE-
FUL DEVELOPMENT, DESPITE THE POLITICAL FUROR IT HAS CREATED IN
ENGLAND.

TRUE, IT MAY NOT PRESENT A VERY ROSY PICTURE JUST NOW TO THE
BRITISH OFFICIAL INVOLVED, SECRETARY FOR OVERSEAS TRADE R.S. HUDSON,
WHO IS COMPARATIVELY NEW TO OFFICIAL RANK AND IS ENDOWED WITH A POWER-
FUL PRIVATE INITIATIVE WHICH IRKS SOME OF HIS CRITICS.

THE GOVERNMENT OPPOSITION, WHICH IS VERY VOCAL, IS CALLING FOR MR.
HUDSON'S SCALP BECAUSE OF THE REPUTED SWEEPING NATURE OF HIS TALK,
WHICH WAS WITH DR. HELMUTH WOLTHAT, NAZI TRADE EXPERT. DR. WOLTHAT
IS ECONOMIC ADVISER TO FIELD MARSHAL GOERING, HERR HITLER'S NUMBER
ONE ASSISTANT, WHO IS IN CHARGE OF GERMANY'S FOUR YEAR PLAN.

PREMIER CHAMBERLAIN HAD TO FACE THE MUSIC IN THE HOUSE OF COMMONS.
HE DECLARED THAT THE DISCUSSION BETWEEN HUDSON AND WOLTHAT WAS
"PERSONAL" AND THAT "THE CABINET KNEW NOTHING ABOUT THESE CONVERSA-
TIONS NOR DID ANY OTHER MINISTER OTHER THAN THE MINISTER CONCERNED."

THE PREMIER ALSO AFFIRMED, IN ANSWERING A BARRAGE OF FIERY
QUESTIONS FROM MEMBERS, THAT THE GOVERNMENT HAD NO INTENTION OF
BEGINNING DISCUSSIONS WHICH MIGHT LOOK LIKE BRINGING HERR HITLER T

SUBSCRIBE TO PEACE. IT WAS THE REPORT THAT THE CABINET WAS PREPARED
TO "BUY" PEACE FROM HITLER WITH A LOAN WHICH DREW THE HEATED PROTESTS
FROM BOTH MEMBERS OF PARLIAMENT AND FROM SOME OF THE NEWSPAPERS.
STILL THE FACT THAT TWO RESPONSIBLE OFFICIALS COULD GET TOGETHER
FOR "PEACE" TALK ALONG SUCH BROAD LINES WAS ACCEPTED BY A GOOD
PARTY TALK AS ENCOURAGING THE IDEA THAT THE INTERNATIONAL COUNCILS MIGHT
BE VEERING ROUND TOWARDS THE CONFERENCE STAGE. THAT THOUGHT WAS
NATURAL IN VIEW OF THE FACT THAT BOTH SIDES IN THE CONTROVERSY HAVE
BEEN VICISSITUDINE FOR NEGOTIATIONS LATELY.
INDEED, PRIOR TO MR. CHAMBERLAIN'S STATEMENT, SOME EUROPEAN
DIPLOMATS FOUND IT HARD TO BELIEVE THAT HUDSON COULD HAVE ACTED
WITHOUT THE KNOWLEDGE OF HIS CHIEF. CABINET MEN AREN'T FREE
AGENTS. THEY ARE MERELY EXECUTIVES FOR THE PRIME MINISTER, WHO IS
DEEDLY THE BIG BOSS.

HAD ANY SENIOR CABINET MINISTER ENGAGED IN SUCH A MOMENTOUS DISCUSSION, ONE WOULD HAVE KNOWN WITHOUT BEING TOLD THAT HE HAD MOVED WITH THE APPROVAL OF THE PREMIER. BUT HUDSON, WHILE HE IS 52 AND THEREFORE NO MERE STRIPLING, HASN'T HAD LONG EXPERIENCE IN CABINET RANK.

MOREOVER, HE PREVIOUSLY HAS SHOWN HIMSELF TO BE HARD ON THE BIT. HE IS THE LEADER OF THE SO-CALLED JUNIOR MEMBERS OF GOVERNMENT—MINISTERS IN THE LESS IMPORTANT POSTS WHO ARE WORKING THEIR WAY UP. EARLY THIS YEAR HE WENT TO THE UNUSUAL EXTREME OF CHALLENGING HIS ENLIGHTENED SUPERIOR AND DEAR RESIDENT PROGRAM. HE DIRECTED A HEAVY FIRE AT WAR MINISTER MORE-BELISHA, AND THREATENED TO RESIGN UNLESS HE QUIT THE CABINET.

IT WAS A MOST EXTRAORDINARY SITUATION, BUT CHAMBERLAIN INSTEAD OF SHOWING HIS UNRULY LADS TO THE DOOR, APPLIED APPEASEMENT AND KEPT NOT ONLY THEM BUT MORE-BELISHA AS WELL. SINCE THEN HUDSON HAS BEEN CONDUCTING IMPORTANT TRADE MISSIONS IN EUROPE, AND CAME TO AMERICA FOR THE OPENING OF THE ENGLISH EXHIBIT AT THE NEW YORK WORLD'S FAIR. NOT ONLY THEM BUT MORE-BELISHA AS WELL. SINCE THEN HUDSON HAS BEEN CONDUCTING IMPORTANT TRADE MISSIONS IN EUROPE, AND CAME TO AMERICA FOR THE OPENING OF THE ENGLISH EXHIBIT AT THE NEW YORK WORLD'S FAIR.

SAED

ANGLO-RUSSIAN STAFF MEETING BEING SPEEDED

France Also May Dispatch
Military Mission
to Moscow.

TALKS MAY PRECEDE PACT

Chamberlain Tells Commons He
May Make a Statement
Early Next Week.

LONDON, July 26 (A. P.).—The British Government has sent new instructions to its diplomats in Moscow. Prime Minister Chamberlain told the House of Commons today. He added that he expected to make a statement early next week on the Moscow negotiations for a British-French-Russian mutual assistance pact.

This announcement, coupled with optimistic reports in official circles, led to a belief that the Government hoped to be able soon to announce the conclusion of such a pact.

Mr. Chamberlain would neither deny nor confirm reports from reliable sources that Great Britain and France had agreed to begin staff talks with Russia without waiting for conclusion of the projected pact. These reports said that British and French missions probably would leave for Moscow within ten days.

Berlin Press on Missions.

Asked whether it had been agreed that military and naval officers should go to Moscow for staff talks, Mr. Chamberlain replied:

"We have sent certain instructions to Sir William Seeds (the Ambassador in Moscow), but I have not yet heard what the reactions are."

In response to another question he said that "the French and the British Government are acting in full collaboration."

The new instructions sent to Sir William, it was said in informed quarters, were to agree to immediate staff talks. Since Russia has demanded this all along, there was

held to be little doubt that the proposal would be accepted.

[Great Britain and France are becoming the laughing stock of the world "by their crawling on the ground" before Russia, the Berlin newspaper Der Angriff said today of the report of the Anglo-French military missions. "Not much has remained of the much-vaunted English dignity and French superiority," the paper continued.]

The British Cabinet considered details of the proposed mission at the weekly meeting today.

British May Send Admiral.

Informed persons said the British mission probably would be headed by an admiral, while the French group would be headed by a general, probably Maurice Gastave Gamelin, supreme commander of the armed forces. The air forces of both countries also would be represented.

The Cabinet considered the outstanding point in the negotiations for a pact: a definition of "indirect aggression." It was understood that a new formula on this point would be sent immediately to Sir William Seeds, British Ambassador to Moscow.

Immediate military discussions would pave the way for placing both the military and political parts

of the expected pact into effect at the same time—in line with a Soviet wish from the first—if and when differences are ironed out.

Some observers saw an indication that the resumption of German-Soviet trade negotiations may have influenced the British desire to speed up talks to bring Russia into the British-French front.

German Chief of Staff At Italian Maneuvers

BERLIN, July 26 (A. P.).—Gen. Franz Halder, chief of the German general staff, will attend Italian military maneuvers in the Po Valley scheduled to begin on August 1, it was announced today.

At the same time annual German army maneuvers will begin in some sections of Germany. They are so-called "corps maneuvers," in which each corps commander fixes the date and no general schedule is issued.

These maneuvers will begin on August 5 in Bavaria, where some reservists have been called up for six weeks and some automobile owners have been notified of possible commandeering.

Yugoslav Press Ordered To Be Strictly Neutral

Must Favor Neither Axis Nor
the Democracies

LJUBLJANA, Yugoslavia, July 26 (A. P.).—The Yugoslav press was instructed by the Supreme Censorship Board today to maintain an absolute balance between the Western powers, Great Britain and France, and the Rome-Berlin axis in editorials and news articles.

"Yugoslavia," said the order, "remains neutral at all costs in case of war. This position of Yugoslavia's foreign policy must be maintained."

"No newspaper may print insulting or unfavorable items regarding Germany and Italy. No propaganda is permissible in favor of the totalitarian or democratic states. Yugoslav newspapers are admonished to pay more attention to the small and middle-sized nations, with the exception of Turkey."

"In general, the style of the Yugoslav press must be conceived in a spirit of faith and understanding between peoples."

Germany Increases Hold Over Bohemia, Moravia

Acquires Majority Stock in Bank
For Trade And Industry
Of Prague

Prague, July 26 (A. P.).—Germany increased her economic hold over Bohemia and Moravia, provinces of former Czecho-Slovakia, today by indirectly acquiring majority stock in the Bank for Trade and Industry of Prague from the French Banque des Pays de l'Europe Central.

The transfer was made by way of the Bohemian Discount Bank, which in turn is controlled by the Deutsche Bank of Berlin.

The Cabinet of Bohemia-Moravia, meanwhile, decided that only fifty-four of 650 Czech-Jewish physicians would be permitted to practice medicine in the German protectorate hereafter.

Radical anti-Semitic groups continued to press demands that all Jewish-owned shops be marked as they are in Germany and that Jews be barred from public baths.

AIR RAID PRACTICE BEGINS IN BERLIN

Wailing Sirens Send Civil
Population to Cover.

BERLIN, July 26 (A. P.).—Wailing sirens in mid-afternoon today launched the capital on several days of rigid drill in defense against the simulated horrors of aerial warfare.

Siren blasts sent the city's entire force of anti-air raid workers to their stations, where they were equipped with war-time paraphernalia and received their orders.

Sham bombing attacks during which everybody must go into air raid shelters and all traffic must halt were expected later in the afternoon.

Earlier in the day Berliners hurried to buy black coverings for their windows and lights so as to be ready for tonight's great blackout.

Members of the Luftschutzbund (Air Raid Protection Organization) will check up on every household, office and factory to make sure that no light is visible to give the "enemy" aid.

Berlin's social life comes to a virtual standstill this week. Various organizations which had issued invitations for evening parties between now and Saturday cancelled them.

Automobile driving for pleasure will probably be suspended for the next three evenings. Just as soon as the air raid alarms are heard the driver of a car must turn into the next side street, cover his lamps with black paper or cloth and hurry to the nearest shelter.

'Air Rai' Clears Berlin's Streets In One Minute

Last Year It Required Two,
and Officials Announce
Pleasure Over Progress

By The Associated Press
BERLIN, July 26.—High flying "enemy" warplanes subjected the Nazi capital to a bombing attack tonight which theoretically destroyed hundreds of buildings, broke water mains in dozens of streets, put the entire city in darkness and sent Berlin's 4,000,000 residents into air raid shelters in realistic defense exercises.

The first alarm in the five-day air raid defense test came at 6:50 p. m. A minute later, the streets, except for an occasional policeman, were empty. Four hours earlier a warning had been broadcast that "enemy" planes had entered German territory, and thousands of men in Berlin then went into action. Anti-aircraft guns were mounted on buildings, and volunteer workers hurried to their appointed places to prepare for the worst.

The first "bomb" fell in Berlin's East Side, in Frankfurter Allee. It tore a figurative hole in the street beside a subway entrance, "killing" five persons and three animals. A large department store and apartment buildings caught fire, but the "fires" were extinguished by persons in the buildings.

The nine enemy planes which arrived over the city dropped hundreds of bombs, referees of the exercises reported. Grimly serious volunteer stretcher bearers carried the "injured" into first aid stations and bandaged their sound arms and legs.

While the planes were over the city—a matter of about an hour—street cars and buses stood empty, their passengers and crews huddling in cellars. Hotel guests were hustled into air-raid rooms.

Officials would not estimate the number of "killed and wounded," but hundreds of black flags marked buildings struck by bombs, and other hundreds of black ropes marked off the places in streets hit by the blasts. There were actual explosions to make the bombing realistic, and anti-aircraft artillery could be heard peppering away. Messenger boys with black trench helmets dashed from one headquarters to another reporting damage and deaths.

The first alarm also called out the Berlin balloon troops, the regular air force division which sends up barricades of balloons, dangling long cables to trap raiding planes. Here and there an occasional recalcitrant citizen who delayed taking shelter

was rushed into a refuge by police, but authorities indicated that they were pleased on the whole by the performance. Last year, two minutes were required to clear the streets.

As night fell a half moon appeared to be the most serious violator of orders to darken the city. More raids were expected, but even the police said they did not know when they would come.

Earlier in the day, Berliners had hurried to buy black coverings for their windows and lights, in order to be ready for tonight's great blackout. Members of the Luftschutzbund (Air Raid Protection Organization) were to check up on every household, office and factory, to make sure that no

light was visible to give the "enemy" aid.

Berlin's social life comes to a virtual standstill this week. Various organizations which had issued invitations for evening parties between now and Saturday have canceled them. Automobile driving for pleasure probably will be suspended for the next three evenings. Just as soon as the air-raid alarms are heard, the driver of a car must turn into the next side street, cover his lamps with black paper or cloth, and hurry to the nearest shelter.

German U-Boats Conduct Secret Baltic Maneuvers

Modern Craft Pronounced Just As Dangerous As
Those Of World War—Reich Launches
New Drive For Scrap Iron

JUL 27 1939
[By the Associated Press] +47-36

Berlin, July 26.—Extensive submarine maneuvers in the Baltic, in which five of Germany's seven submarine flotillas participated and during which several convoyed ships were "sunk," were reported today by Berlin newspapers.

Germany's grand admiral, Erich Raeder, supervised the action from the naval yacht Grille.

One correspondent who watched the maneuvers said they "had proved that German submarines of today must be feared by every opponent just as much as their predecessors during World War days."

Considerable secrecy surrounded the exercises. Newspapers merely said that they lasted throughout a night.

The newspaper Voelkischer Beobachter reported yesterday that a Soviet Russian submarine had sunk off Murmansk in the Arctic Ocean with thirty-four men aboard.

[Soviet circles at Moscow said they had no information such as Voelkischer Beobachter printed.]

THE T ALSO WAS UNDERSTOOD TO HAVE SENT A NEW FORMULA
FOR DEFINING "INDIRECT AGGRESSION"—A CHIEF POINT OF DIFFERENCE BETWEEN
THE BRITISH AND RUSSIAN VIEWS.

OF THE BRITISH-JAPANESE AGREEMENT ANNOUNCED BY CHAMBERLAIN
MONDAY IN WHICH BRITAIN ACKNOWLEDGED THAT THE JAPANESE ARMY HAD
"SPECIAL REQUIREMENTS" FOR "MAINTAINING PUBLIC ORDER" IN THE REGIONS
OF CHINA UNDER ITS CONTROL, LABORITE PHILIP NOEL-BAKER ASKED:
"MAY I ASK WHETHER THE JAPANESE REPLY TO THE CONCESSIONS MADE
IN THE TOKYO FORMULA HAS ONLY BEEN THAT THEY PROPOSE TO TAKE MEASURES
TO RESTRICT FOOD SUPPLIES OF HONGKONG AND TO ARREST BRITISH
OFFICIALS OF SHANGHAI?"

(A REFERENCE TO ANNOUNCEMENT TUESDAY BY JAPANESE NAVAL AUTHORITIES
THAT THEY WOULD CLOSE THE CANTON RIVER ABOVE HONGKONG FOR TWO
WEEKS AND THE ARREST TUESDAY OF THE BRITISH HEAD OF THE HEALTH
DEPARTMENT OF THE JAPANESE-DOMINATED SHANGHAI MUNICIPALITY.)

AFTER OPPOSITION CRIES OF "ANSWER!" CHAMBERLAIN REPLIED "NO."
REPLYING TO QUESTIONS BY LABORITES WHETHER THE TOKYO AGREEMENT
PRECLUDED BRITAIN FROM CONTINUING TO REGARD THE CHINESE GOVERNMENT
AS THE GOVERNMENT OF ALL CHINA OR FROM PROVIDING FURTHER FINANCIAL
ASSISTANCE TO THE CHINESE GOVERNMENT, UNDERSECRETARY FOR FOREIGN
AFFAIRS RICHARD AUSTEN BUTLER SAID:
"AS THE PRIME MINISTER STATED IN THE HOUSE ON JULY 24, THE
DECLARATION DOES NOT CONNOTE ANY CHANGE IN THE GENERAL POLICY OF THE
BRITISH GOVERNMENT TOWARD CHINA."

30.24-2507

30.24-2507

ANSWERING ANOTHER QUESTION BUTLER SAID THE GOVERNMENT HAD NOT RECOGNIZED THE WAR AIMS OF JAPAN IN CHINA.

THE BRITISH CABINET CONSIDERED THE PROPOSAL TO SEND A MILITARY MISSION TO MOSCOW AT ITS REGULAR WEEKLY CABINET MEETING TODAY. INFORMED QUARTERS, ETC., 5TH GRAF FIRST LEAD.

QQ1145AED

LONDON, JULY 26-(AP)--GREAT BRITAIN AND FRANCE, APPARENTLY READY TO SHARE MILITARY SECRETS WITH SOVIET RUSSIA FOR THE FIRST TIME, HELD STRONG HOPES TONIGHT FOR EARLY CONCLUSION OF THE LONG-DELAYED NEGOTIATIONS FOR A THREE-POWER MUTUAL ASSISTANCE PACT.

PRIME MINISTER CHAMBERLAIN TOLD THE HOUSE OF COMMONS HE EXPECTED TO MAKE A STATEMENT EARLY NEXT WEEK ON THE NEGOTIATIONS BASED ON THE GOVERNMENT'S LATEST INSTRUCTIONS TO ITS DIPLOMATIC STAFF IN MOSCOW.

ALTHOUGH CHAMBERLAIN AVOIDED THE ISSUE, INFORMED QUARTERS SAID THE NEW INSTRUCTIONS MET RUSSIA'S INSISTENT DEMANDS THAT, AS PROOF OF THE GOOD FAITH OF THE WESTERN POWERS, BRITISH-FRENCH-RUSSIAN MILITARY CONVERSATIONS BE STARTED SOON.

REPLYING TO A QUESTION IN COMMONS WHETHER IT "HAS NOW BEEN AGREED THAT MILITARY AND NAVAL OFFICERS SHOULD PROCEED TO MOSCOW AND HAVE STAFF TALKS," CHAMBERLAIN SAID, "WE HAVE SENT CERTAIN INSTRUCTIONS TO SIR WILLIAM SEEDS (THE BRITISH AMBASSADOR IN MOSCOW) BUT I HAVE NOT YET HEARD WHAT THE REACTIONS ARE."

INFORMED DIPLOMATS SAID, HOWEVER, THAT RUSSIA'S REACTION TO AN OFFER OF MILITARY CONVERSATIONS WAS FAVORABLE AND THAT THIS HAD BOLSTERED BRITISH AND FRENCH HOPES FOR COMPLETION OF THE PROJECTED PACT BEFORE THE BRITISH PARLIAMENT RECESSES AUG. 4.

IN BERLIN DER ANGRIF, NEWSPAPER OF GERMAN PROPAGANDA MINISTER GOEBBELS, PICTURED BRITAIN AND FRANCE AS "CRAWLING ON THE GROUND" BEFORE RUSSIA. COMMENTING ON THE REPORT THAT MILITARY MISSIONS WERE TO BE SENT TO MOSCOW, DER ANGRIF SAID: "NOT MUCH HAS REMAINED OF THE MUCH-VAUNTED ENGLISH DIGNITY AND FRENCH SUPERIORITY."

AMONG THE BRITISH OFFICERS MENTIONED FOR A MOSCOW MILITARY MISSION WAS GENERAL SIR ARCHIBALD WAVELL, NEWLY-APPOINTED COMMANDER-IN-CHIEF OF THE MIDDLE EAST FORCES. HE SPEAKS RUSSIAN AND WENT TO MOSCOW THREE YEARS AGO AS HEAD OF A MILITARY MISSION INVITED TO SEE RED ARMY MANEUVERS.

A BRITISH ADMIRAL ALSO IS EXPECTED TO GO AS A COMPLIMENT TO RUSSIA'S GROWING SEA-POWER. FRANCE IS EXPECTED TO SEND A HIGH RANKING ARMY OFFICER AND ONE OR BOTH COUNTRIES, IT WAS SAID, PROBABLY WOULD ATTACH AIR FORCE OFFICERS TO THE MISSION.

THE MOSCOW NEGOTIATIONS HAVE BOGGED DOWN SEVERAL TIMES, OSTENSIBLY ON TECHNICAL PHRASEOLOGY. BUT DIPLOMATIC OBSERVERS BELIEVE THAT ONE OF THE CHIEF OBSTACLES TO CONCLUSION OF A PACT INVOLVED THE QUESTION OF MILITARY CONVERSATIONS.

THEY POINT OUT THAT ALTHOUGH FRANCE AND RUSSIA HAVE HAD A MUTUAL DEFENSE PACT FOR SEVERAL YEARS THERE HAS BEEN LITTLE EXCHANGE OF MILITARY INFORMATION. SOME DIPLOMATIC SOURCES ALSO ASSERT THAT RUSSIA HAS BEEN ANNOYED BECAUSE GERMAN MILITARY VISITORS TO BRITAIN APPARENTLY HAVE BEEN SHOWN MORE MILITARY SECRETS THAN THE RUSSIAN MILITARY ATTACHE EVEN AT A TIME OF STRAINED BRITISH-GERMAN RELATIONS.

ANOTHER QUESTION TO BE SETTLED IN THE MOSCOW NEGOTIATIONS

INVOLVED THE DEFINITION OF THE TERM "INDIRECT AGGRESSION" AS APPLIED TO RUSSIA'S BALTIC NEIGHBORS, WHOSE INDEPENDENCE RUSSIA SEEKS TO HAVE GUARANTEED IN THE PROJECTED PACT.

BUT NEW BRITISH INSTRUCTIONS TO MOSCOW WERE EXPECTED IN SOME QUARTERS TO OVERCOME THIS DIFFICULTY.

CHAMBERLAIN AND FOREIGN UNDERSECRETARY RICHARD AUSTEN BUTLER, WERE PRESSED FOR AN ELABORATION ON BRITAIN'S POLICY IN CQCCA IN CONJECTVXMBMV3 -46';

CHAMBERLAIN AND FOREIGN UNDERSECRETARY RICHARD AUSTEN BUTLER, WERE PRESSED FOR AN ELABORATION ON BRITAIN'S POLICY IN CHINA IN CONNECTION WITH THE AGREEMENT WITH JAPAN CHAMBERLAIN ANNOUNCED MONDAY, BUT WOULD ONLY REPEAT CHAMBERLAIN'S STATEMENT THAT BRITAIN'S POLICY IN CHINA REMAINED UNCHANGED.

R511PED

LONDON, JULY 26-(AP)----LORD STRABOLGI TOLD THE HOUSE OF LORDS TODAY THAT GERMANY HAS OIL SUPPLIES FOR ONLY THREE MONTHS IN WARTIME.

SPEAKING IN DEBATE ON BRITISH OIL SUPPLIES WHEN SOME MEMBERS WERE URGED THAT THE BRITISH NAVY HAVE DUAL ARRANGEMENTS SO IT COULD BE FIRED EITHER BY COAL OR OIL, THE LIBERAL PEER COMMENTED:

"I AM TOLD THE GERMAN OIL SITUATION IS MOST CRITICAL IT WOULD BE DIFFICULT AND FAR WORSE THAN OURS AND WOULD BE SUFFICIENT FOR THE GERMANS TO

LAST MORE THAN THREE MONTHS IF THEY WERE SO FOOLISH AS TO PLUNGE INTO WAR.

"THEIR ONLY CHANCE IS A LIGHTNING WAR."

PARIS, JULY 26 (AP)---FRENCH FOREIGN OFFICE

SPOKESMEN INDICATED TONIGHT THAT BRITISH AND FRENCH NEGOTIATIONS WITH SOVIET RUSSIA FOR A THREE-POWER MUTUAL ASSISTANCE PACT WERE NEARING COMPLETE AGREEMENT.

THEY CALLED REPORTS PUBLISHED IN PARIS THAT AN ACCORD HAD BEEN REACHED "PREMATURE," BUT THEY DECLARED THAT THE BRITISH AND FRENCH AMBASSADORS IN MOSCOW HAD RECEIVED NEW INSTRUCTIONS WHICH WILL ENABLE THEM TO SEE PREMIER-FOREIGN COMMISSAR MOLOTOFF AT AN EARLY OPPORTUNITY.

(IN MOSCOW IT WAS SAID THAT THE AMBASSADORS HAD BEEN UNABLE TO SEE MOLOTOFF TODAY BUT PROBABLY WOULD MEET HIM LATE TOMORROW.)

FRENCH SOURCES SAID THE DIFFICULTIES WHICH PARIS AND LONDON HAVE LONG CONSIDERED TO BE THE MAIN BARRIERS BETWEEN THEIR VIEWS AND THE RUSSIAN POSITION HAVE BEEN IRONED OUT/.

NIGHT LEAD FRENCH

(TONIGHT)

PARIS, JULY 26--(AP)--PREMIER DALADIER CALLED A MEETING
OF HIS CABINET FOR FRIDAY TO APPROVE A SERIES OF 50 DECREE LAWS
TO STRENGTHEN THE NATION'S HOME AND EMPIRE DEFENSES AND, IT WAS
REPORTED, TO ADVISE HIS COLLEAGUES OF PLANS TO PROLONG THE PRESENT
PARLIAMENT'S LIFE IF INTERNATIONAL TENSION INCREASES.

759.2

POLITICAL SOURCES REPORTED THAT DALADIER WOULD INFORM
HIS CABINET OF TWO PLANS HE HAS READY, ONE LENGTHENING PARLIAMENT'S
LIFE THROUGH 1940---THE YEAR OF SCHEDULED ELECTIONS FOR A NEW
PARLIAMENT--AND ANOTHER PROLONGING THE PRESENT LEGISLATURE THROUGH
1941. THE CABINET IS TO DECIDE WHICH DECREE SHALL BE USED IF THE
NEED ARISES.

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EITHER DECREE, IF MADE LAW, WOULD PRACTICALLY ENSURE
PROLONGATION OF DALADIER'S DICTATORIAL DECREE POWERS WHICH OTHER-
WISE EXPIRE IN NOVEMBER.

SEVERAL OF THE DECREES TO BE APPROVED CONCERNING
STRENGTHENING OF THE MILITARY DEFENSES OF ALGERIA AND REORGANIZATION
OF MUNICIPAL FINANCES.

30.24-2509

30.24-2509

A FRIDAY SESSION WILL ALSO BE CALLED ON TO APPROVE
A CODE OF LAWS DESIGNED TO ENCOURAGE LARGER FRENCH FAMILIES.

MEANWHILE, FOREIGN OFFICE SPOKESMEN INDICATED THAT
NEGOTIATIONS WITH SOVIET RUSSIA FOR A DEFENSE PACT WERE NEARING
COMPLETE AGREEMENT. HOWEVER, THEY SAID REPORTS PUBLISHED HERE OF
AN ACCORD ALREADY REACHED WERE "PREMATURE."

NEW INSTRUCTIONS SENT TO THE BRITISH AND FRENCH
NEGOTIATORS IN MOSCOW, IT WAS LEARNED, CONCERNED MAINLY THE
DEFINITION OF THE TERM "INDIRECT AGGRESSION" WHICH RUSSIA WANTS
INCLUDED IN GUARANTEES TO BE GIVEN THE SMALL BALTIC COUNTRIES.
THE THREE POWERS WERE NOW SAID TO BE AGREED ON THE DEFINITION, IT
WAS SAID HERE.

IT WAS INDICATED THE CHIEF OF THE FRENCH MILITARY
GROUP TO BE SENT TO MOSCOW TO ENGAGE IN IMMEDIATE STAFF TALKS
PROBABLY WOULD BE GENERAL CHARLES HUNTZIGER.

1555

HE NOW IS COMMANDER OF FRENCH TROOPS IN THE NEAR EAST AND IS NOW AT ANKARA, TURKEY, LEADING STAFF TALKS WITH THE TURKISH HIGH COMMAND.

MOSCOW, JULY 26--(AP)--- THE BRITISH AND FRENCH AMBASSADORS SOUGHT AN INTERVIEW WITH PREMIER-FOREIGN COMMISSAR VYACHESLAV MOLOTOFF TODAY AFTER RECEIVING NEW INSTRUCTIONS FROM THEIR GOVERNMENTS ON THE TRI-POWER MUTUAL ASSISTANCE PACT NEGOTIATIONS, BUT AN APPOINTMENT CONVENIENT TO ALL COULD NOT BE ARRANGED FOR TODAY.

IT WAS UNDERSTOOD THE ENVOYS, SIR WILLIAM SEEDS AND PAUL EMILE NAGGIAR, WOULD HOLD THEIR NEXT MEETING WITH MOLOTOFF AT THE KREMLIN PALACE LATE TOMORROW, ALTHOUGH THE DATE HAS NOT YET DEFINITELY FIXED.

FOREIGN REPORTS THAT A BRITISH-FRENCH MILITARY MISSION WAS COMING TO MOSCOW SOON WITHOUT WAITING FOR CONCLUSION OF THE PROJECTED PACT COULD NOT BE CONFIRMED HERE, EITHER AT THE SOVIET FOREIGN OFFICE OR IN BRITISH AND FRENCH DIPLOMATIC CIRCLES.

TWO VERSIONS WERE CURRENT IN DIPLOMATIC QUARTERS REGARDING THE TALKS: THAT ONE AGREEMENT WAS SO NEAR AT HAND THAT STAFF TALKS COULD NOW BEGIN; AND THAT STAFF TALKS AT THIS JUNCTURE HAD BEEN

OFFERED AS AN ADDITIONAL CONCESSION TO THE SOVIET POINT OF VIEW. THAT MOSCOW PREVIOUSLY HAS INSISTED ON MILITARY ARRANGEMENTS OF A PRECISE CHARACTER PRECEDE ACTUAL RATIFICATION OF THE PROPOSED PACT.

FREE CITY OF DANZIG, JULY 26--(AP)---THE DANZIG POLICE COURT TODAY SENTENCED TEN POLISH STUDENTS ACCUSED OF CROSSING THE FRONTIER INTO THE FREE STATE ILLEGALLY TO PRISON TERMS OF ONE MONTH EACH.

THE COURT HELD THERE WAS NO EVIDENCE TO PROVE THAT THE YOUTHS WERE ARMED AND ACCEPTED THE EXPLANATION THAT THEY LOST THEIR WAY WHILE HIKING IN THE VICINITY OF A STUDENTS' CAMP ON THE POLISH SIDE OF THE BORDER. *last Saturday*

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FREE CITY OF DANZIG, JULY 26--(AP)---A SPOKESMAN FOR THE NAZI-DOMINATED DANZIG SENATE DECLARED TODAY THAT THE FREE CITY, BY ITS OWN ENERGIES, HAD SO ASSURED ITS POWER OF SELF-PROTECTION THAT IT COULD "CALMLY AWAIT THE DAY OF UNION WITH GERMANY WITHOUT FEARING ANY SURPRISE ACTION ON THE PART OF POLAND."

LABOR DETACHMENTS STILL ARE BUSY CONSTRUCTING NUMEROUS BARRACKS AND IMPROVING ROADS. DANZIG NAZIS HAVE ADMITTED THE GROWTH OF THEIR POLITICAL POLICE FORCE TO AT LEAST 4,000 MEN.

OFFICIALS CALLED ATTENTION TO THE STATEMENT OF ALBERT FORSTER, NAZI LEADER FOR DANZIG, PUBLISHED IN THE BERLIN VOELKISCHER BEOBACHTER YESTERDAY, THAT DANZIG HAD TAKEN PROTECTIVE MEASURES WITHOUT CALLING FOR THE ASSISTANCE OF THE GERMAN ARMY AND THAT THE FREE CITY COULD NOT NOW BE TAKEN WITHOUT A FIGHT.

(GERMANS HAVE EXPRESSED FEAR THAT POLAND MIGHT SEND MILITARY FORCES INTO DANZIG IN THE EVENT OF AN INTERNAL COUP TO JOIN THE FREE CITY TO THE REICH. POLAND INSISTS SHE HAS NO DESIRE TO CHANGE THE PRESENT STATUS OF DANZIG, BUT HAS MADE IT CLEAR THAT SHE WOULD CONSIDER SUCH AN ANNEXATION COUP A THREAT TO HER INTERESTS CALLING FOR ACTION.)

SOME NERVOUSNESS WAS APPARENT AMONG FOREIGNERS IN THE FREE CITY TODAY.

THE HEAD OF THE FOREIGN TRADE ASSOCIATION SAID THAT HE WAS PREPARING TO CONCLUDE HIS ORGANIZATION'S DANZIG AFFAIRS WITHIN TEN DAYS. THE CAPTAIN OF A COASTAL FREIGHTER WHICH CALLS WEEKLY AT SEVERAL BALTIC SEA PORTS SAID HE EXPECTED TO BE ABLE TO MAKE ABOUT ONE MORE CALL AT DANZIG.

THERE HAS BEEN A FURTHER DECLINE IN VISITORS FROM ALL COUNTRIES

THERE HAS BEEN A FURTHER DECLINE IN VISITORS FROM ALL COUNTRIES EXCEPT GERMANY.

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RUSS DISPLACE FAR EASTERN ARMY GENERAL

Popoff To Replace Shtern
As Head Of Special Red
Banner Force

79 Military And Diplo-
matic Officers Are Stripped
Of Decorations

[By the Associated Press]
Moscow, July 27.—Gen. Grigorio Shtern has been relieved of his post as commander of the first special Red Banner army in the Far East and replaced by General Popoff.

Removal of General Shtern, who in a sense was the successor to Marshal Vassily Bluecher in the Far East, was disclosed soon after the official gazette had published a list of seventy-nine men, formerly high in Soviet military and diplomatic life, who had been stripped of their decorations.

Believed Arrested

The list included several Far Eastern officers. Publication of such information in Soviet Russia is tantamount to announcement that the men named have been placed under arrest.

There was no official explanation of the dishonoring of the leaders, or the removal of General Shtern.

General Shtern had headed one section of the Far Eastern Red army since Marshal Bluecher, famous Soviet commander, dropped from sight soon after the end of fighting at Changkufeng on the Siberian-Manchoukuo-Korean border last summer.

Split Into Two Parts

The Far Eastern army then was split into the first special Red Banner Army, headed by General Shtern, and the second special Red Banner Army headed by General Kornyeff.

One of those stripped, V. K. Tairoff, the former Soviet Minister to the Mongolian peoples republic, received the Order of Lenin in 1937 for his dis-

tinguished diplomatic achievements.

Air Force Head Stripped

Another whose decorations were ordered stripped was Air Force Commander Lapin, who formerly stood next to Marshal Vassily Bluecher, former Soviet commander of the Red Army in the Far East.

Others were Division Commander Sergeyeff; Shevchenko, chief of the political administration in the Ural Military district; Naval Engineer Paul U. Oras, a former Soviet naval attaché in Washington; Rappaport, former political commissar of the Frunze Naval Academy, and a submarine commander named Batis.

The decree only stated that they were deprived of their decorations for "actions unworthy of order bearers."

3-Power Pact Debated;

No Progress Is Reported

Moscow, July 27 (P).—British and French envoys conferred again tonight with Premier-Foreign Commissar Vyacheslaff Molotoff, but what progress had been made toward conclusion of the proposed three-power mutual assistance pact could not be learned immediately.

British and French sources asserted however, that the pact had not been concluded—and, on the other hand, that the negotiations had not broken down.

A British official had declared before the conference that it "might well be the decisive meeting" in the protracted negotiations among the three powers.

Talk For Hour And Half

Molotoff conferred for approximately an hour and a half with the Western European envoys, British Ambassador Sir William Seeds; French Ambassador Paul Emile Naggiar, and William Strang, special British envoy.

The conversations were held in French with the translations into Russian for Molotoff being made by Vladimir P. Potemkin, First Assistant Commissar of Foreign Affairs and former Soviet Ambassador to Paris.

Other meetings in the Kremlin are scheduled but the date for the next has not been set yet.

French-Turkish Talks End

Istanbul, Turkey, July 27 (A).—Gen. Charles Huntziger, commander of French troops in the Near East, and other members of a French military mission today completed what they called "most satisfactory" talks with Turkish military heads.

The conversations began ten days ago following completion of the French-Turkish mutual Mediterranean alliance.

ENVOYS VISIT SOVIET PREMIER

Paris Expects Success of
Pact Negotiation Today.

GENERAL ORDERED TO MOSCOW

British Also Say Meeting May
Be Decisive.

MOSCOW, July 27 (A. P.).—British and French envoys were received at the Kremlin late today by Premier-Foreign Commissar Vyacheslaff Molotoff for resumption of negotiations for a British-French-Russian mutual assistance pact.

Sir William Seeds, British Ambassador, Paul Emile Naggiar, French Ambassador, and William Strang, special British envoy, took part in the conference.

French Expect Success.

PARIS, July 27 (A. P.).—Gen. Joseph Edouard Doumenc, newly appointed member of the Superior War Council, was designated today to represent the French general staff in military conversations at Moscow with Russian and British commanders.

Gen. Doumenc will undertake this mission as soon as negotiations for a British-French-Russian mutual assistance treaty have been completed.

Advices from Moscow and London indicated that an agreement was near, and might even be reached in a meeting in Moscow late today. French circles expected it before the week end.

British Also Optimistic.

LONDON, July 27 (A. P.).—A British official declared today that a conference scheduled for this evening in Moscow "might well be the decisive meeting" in the protracted British-French-Soviet Russian negotiations for a mutual assistance pact. The British optimism coincided with a statement by the French Foreign Office that an agreement was expected today or tomorrow.

Principals in the Moscow negotiations have been Russian Premier-Foreign Commissar Vyacheslav Molotov; British Ambassador Sir William Seeds; Special British Envoy William Strang, and French Ambassador Paul-Boncour Naggiar.

WHEN GENERAL DOUMENG GOES TO MOSCOW HE WILL BE ACCOMPANIED BY AIDES FROM THE FRENCH GENERAL STAFF.

A FRENCH FOREIGN X X X SECOND GRAPH PREV.

A FRENCH FOREIGN MINISTRY SPOKESMAN INDICATED AN ACCORD WAS NEAR, BUT ALSO SHOWED A WARINESS BORN OF THREE MONTHS' INTENSIVE NEGOTIATIONS WHICH HAD SUFFERED MANY HITCHES. REPORTS PUBLISHED IN PARIS YESTERDAY THAT AN ACCORD HAD BEEN REACHED WERE CALLED "PREMATURE."

MILITARY STAFF TALKS AMONG THE THREE NATIONS, IT WAS SAID, WERE PROBABLE BY THE END OF NEXT WEEK. BRITISH AND FRENCH DELEGATES IN MOSCOW HAD FRESH INSTRUCTIONS, WHICH IT WAS BELIEVED WOULD SATISFY RUSSIAN DEMANDS.

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SOURCES CLOSE TO THE GOVERNMENT CONFIRMED THAT BRITAIN AND FRANCE HAD DECIDED TO SEND MILITARY MISSIONS TO RUSSIA IMMEDIATELY REGARDLESS OF WHETHER A PACT IS CONCLUDED.

CIRCLES OPPOSED TO A BRITISH APPEASEMENT POLICY MEANWHILE INCREASED PRESSURE ON THE GOVERNMENT FOR ACCEPTANCE OF SOME PLAN TO ENABLE PARLIAMENT TO KEEP TAB ON FOREIGN POLICY DURING THE TWO-MONTH LEGISLATIVE RECESS STARTING AUG. 1.

PRIME MINISTER CHAMBERLAIN HOWEVER REFUSED IN A STATEMENT TODAY IN THE HOUSE OF COMMONS TO KEEP PARLIAMENT IN SESSION BUT PROMISED THAT "IF THE GOVERNMENT CONTEMPLATE SOME IMPORTANT DEPARTURE IN FOREIGN POLICY" HE WOULD CALL A SPECIAL SESSION.

HE INSISTED THE CABINET SHOULD BE THE JUDGE OF WHETHER THERE WAS JUSTIFICATION FOR CALLING PARLIAMENT TOGETHER.

"I DO NOT WANT TO TIE MYSELF TO THE PRECISE WORDS OF A PLEDGE," HE SAID, "BUT BROADLY SPEAKING IF THE GOVERNMENT CONTEMPLATE SOME IMPORTANT DEPARTURE IN FOREIGN POLICY I THINK THAT WOULD BE AN OCCASION FOR CALLING THE HOUSES TOGETHER."

OPPOSITION LEADERS HAD PRESSED HIM EITHER TO KEEP PARLIAMENT IN SESSION DURING MONTHS WHICH MANY FEAR MAY BE CRITICAL OR TO ARRANGE FOR PERIODIC MEETINGS SO MEMBERS COULD KEEP IN TOUCH WITH THE FOREIGN SITUATION.

ARTHUR GREENWOOD, DEPUTY LABOR LEADER AND SIR ARCHIBALD SINCLAIR, OPPOSITION LIBERAL LEADER, LED THE QUESTIONING AND WINSTON CHURCHILL JOINED IN WITH AN INQUIRY WHETHER THE PRIME MINISTER DID NOT "CONSIDER THAT IF DURING THE EARLY DAYS OF AUGUST MOBILIZATION OF THE GERMAN ARMY IS STEADILY PROCEEDING IT WOULD APPEAR INCONGRUOUS TO ANNOUNCE THAT PARLIAMENT HAS ADJOURNED UNTIL OCT. 25."

"THAT IS A HYPOTHETICAL QUESTION," CHAMBERLAIN ANSWERED.

JS1235PED

ONE BLACKOUT ENOUGH, BERLIN POLICE DECIDE

Test Works So Well That Plans For Others Are Rescinded

Citizens Return To Work After Elaborate Air-Raid Practice

[By the Associated Press]

Berlin, July 27—Berliners went to work today past imaginary heaps of wreckage left by "enemy warplanes"

in a test of air-raid precautions which involved practically every able-bodied person among the capital's 4,000,000 residents.

Late into the night anti-aircraft batteries fired into the moonlit sky while planes soared overhead dropping make-believe bombs. The raiders theoretically shattered hundreds of buildings, tore up streets, overturned street cars and caused casualties among civilians.

Blackout Big Success

The chief of police announced the blackout was "so complete the measure therefore had been rescinded," although a four-day program originally was planned.

Police made no estimate of the "dead and wounded," but announced they were pleased by the demonstration. They said the streets were cleared promptly and that volunteer workers under supervision of the Police and Fire Departments went about their tasks surely and quickly.

Red Flares Used

The middle of the city presented a curious sight at the height of the attack last night. Buildings poured forth specially manufactured smoke, while

red flares added to the simulation of buildings set afire by bombs. Detonations like exploding bombs could be heard.

And from the shelters below street level came the call:

"Have all the gassed and wounded been brought in?"

DANZIG LAW HITS JEWS' PROPERTY

FREE CITY OF DANZIG, July 27 (AP).—Jews who have emigrated from Danzig since Nazis took control of the government are being informed by letter of new restrictions on transfer of their fortunes. Danzig hitherto made semi-annual payments to Jews abroad by selling Jewish properties.

The money now will be paid into Danzig banks but the equivalent ultimately may go to the emigrants from commercial credits built up by the Free City in Palestine.

The new regulation was described in the Danzig Senate as a measure to prevent weakening of the currency system.

Some 18,000 of the 22,000 Jews who lived in Danzig in 1936 have

emigrated. But portions of their fortunes still remain.

The Senate today authorized appointment of a committee to speed liquidation of Jewish businesses.

Foreign Newspapers Are Censored In Prague

Publications Going Into Bohemia
And Moravia Must Go Through
Press Bureau

Prague, July 27 (AP)—The Government of Bohemia and Moravia today clapped down a strict censorship on distribution of foreign newspapers.

All incoming publications must go through the Czech press bureau before being placed on sale. Lately, foreign newspapers have been confiscated regularly in coffee houses and from newsstands.

A two-year ban was placed yesterday against all Polish newspapers coming into the protectorate.

NEW "ARYAN" LAWS SET UP BY DANZIG

Nazi Leaders Hope For Complete
Solution Of The
Jewish Problem

Sure Of Coming Into Reich,
They Add Restrictions
On Outgoing Wealth

[By the Associated Press]

Free City of Danzig, July 27—Nazis of Danzig hope to turn over to Germany soon a community which has almost completely solved its own Jewish problem, party leaders said tonight.

Another step toward the one hundred per cent. "Aryanization" of the Free City was taken today as machinery was set up to dispose of property still held by Jews and to put brakes on the outward flow of Jewish wealth.

Sure Of Annexation

"We know that Danzig and the hundred or more villages surrounding it will come into the Reich soon and we are anxious to get the Jewish situation well in hand before that day," one party chief observed.

It was stated there would be no need for such drastic action against Jews as took place in Austria and the Sudetenland after annexation of those territories.

The "Aryanization" of Danzig has been going on since 1936.

The Danzig Senate bought the central synagogue, several Jewish cemeteries and other properties, and the proceeds have been used largely in helping poor Jews emigrate.

Today there were approximately 4,000 Jews left in Danzig, most of them trying to get out and some with prospects of leaving soon. Some 18,000 have emigrated since 1936.

Blocked Accounts Founded

Up to now, on departure, Jews have been permitted to convert their holdings into cash and withdraw it in semi-annual installments. Under the new regulations payment will be made into blocked accounts, to remain frozen for an indefinite time.

Officials denied that the procedure amounted to confiscation of Jewish wealth still remaining here.

Danzig newspapers reported a "Polish naval demonstration" today off the coast of Zoppot, a seaside resort north of the Free City. They said four destroyers maneuvered in a "provocative manner" close to shore.

Jewish Doctors Limited To Fifty-Six In Slovakia

Bratislava, Slovakia, July 27 (AP)—The Slovak Government yesterday decreed that 594 Jewish doctors must abandon their profession under penalty of a heavy fine.

At present 650 Jews and 750 non-Jews practice medicine in Slovakia. The number of Jewish doctors was ordered reduced to fifty-six.

(This action was erroneously reported by the Associated Press yesterday under a Prague date line as having been decided by the Cabinet of the Protectorate of Bohemia and Moravia. Instead the action took place in Slovakia and applies only to that country.)

Styria Forbidden To Jews

Vienna, July 27 (AP)—The Austrian province of Styria was declared forbidden territory for Jews after August 1 by provincial authorities today. Approximately 200 Jews still living in the province must move to Vienna, where they may remain until they can emigrate.

30.24-2513

COMMANDER TO HIS BRITISH COLLEAGUE IN THE MEDITERRANEAN."

THE NEWSPAPER EXCELSIOR, HOWEVER, NOTED THAT THE DEPARTURE

IDES WITH MANEUVERS IN THE SAME PART OF THE MEDITERRANEAN"

ED BY GERMAN AND ITALIAN NAVAL EXPERTS.

THE BATTLESHIP WAS REPORTED ACCOMPANIED BY THREE DESTROYERS

ALTHOUGH THE EXACT NUMBER WAS NOT DISCLOSED DUE TO FRENCH REGULATIONS

PROMISING PUBLICATION OF DETAILED MILITARY MOVEMENTS. THE

TIME ALSO WAS NOT SPECIFIED.

EZ917AEB

PARIS, JULY 27 (AP)—THE FRENCH MEDITERRANEAN FLEET WAS

REPORTED IN QUARTERS USUALLY INFORMED ON NAVAL AFFAIRS TODAY TO

BE HEADED FOR MALTA TO JOIN 65 BRITISH VESSELS FOR EXERCISES IN

THE EASTERN MEDITERRANEAN, WHERE THE ITALIAN FLEET ALSO HAS

SCHEDULED MANEUVERS.

THE EXACT NUMBER OF FRENCH SHIPS INVOLVED WAS NOT

STATED BY AN INFORMANT WHO REPORTED THAT A NUMBER HAD SAILED FROM

TOULON.

TOULON, FRANCE, JULY 27 (AP)—REAR ADMIRAL O. H. OLLIVE, NEWLY

APPOINTED COMMANDER OF FRANCE'S MEDITERRANEAN FLEET, HAS SAILED ABOARD

HIS FLAGSHIP, THE BATTLESHIP PROVENCE, ON AN OFFICIAL VISIT TO THE

BRITISH COMMANDANT AT MALTA.

A SOURCE CLOSE TO NAVY CIRCLES SAID THE VOYAGE WAS "THE

COURTESY VISIT TRADITIONALLY PAID BY THE NEWLY APPOINTED FRENCH

30.24-2513

THE APPROACHING ITALIAN GAMES WILL BE COMBAT AGAINST
AN IMAGINARY ENEMY BETWEEN MALTA AND ITALIAN SICILY AND BETWEEN
MALTA AND ITALIAN LIGURIA. THEY ALSO INVOLVE THE BLOCKING OF
AN "OFFERING FORCE" ENTERING THE EASTERN MEDITERRANEAN BASIN. A
GERMAN NAVAL MISSION IS TO OBSERVE THE MANEUVERS.

—SE-135AEB

—SE-135AEB

1939
SOFIA, BULGARIA, JULY 27--(AP)--GERMAN POLICE

TODAY REQUESTED BULGARIAN AUTHORITIES TO HUNT A FUGITIVE
SUSPECTED OF SLAYING THE GERMAN POLICEMAN, WILHELM KNIEST, IN
THE CZECH TOWN OF KLDNO ON JUNE 27.

A DESCRIPTION DESCRIPTION AND PICTURES OF THE

SUSPECT WERE FURNISHED BY THE GERMANS, WHO ALLEGED THE POLICEMAN
WAS SHOT TO DEATH WHILE CONFISCATING THE WEAPONS BELONGING TO
CZECH SOKOLS, A CZECH PHYSICAL CULTURE SOCIETY.

RIGID MILITARY LAWS GERMAN CONTROL WAS CLAMPED ON

KLDNO KLDNO AS A RESULT OF THE KILLING.

APL 00140 DELUCES CCC 940P

GERMANY, ITALY FIGHT HOTLY FOR BALKANS' TRADE

Reich Said To Be Getting
Most, Hurting Fascist
Living Standard

[By the Associated Press]

Budapest, July 27--Germany and Italy are bitter rivals for southeast Europe's trade, despite their close military and political ties.

Competing Nazi and Fascist salesmen ask and give no quarter in their contest for business in the Balkans.

Nazi trade had increased steadily—Generally at the expense of Italy—and that makes the competition all the more furious.

Every sort of premium, discount and advantage is employed by the competitors. There is many a fist fight between the salesmen on Balkan sleeping cars and in cabarets.

A Six-Nation Field

Geography has cast the Nazis and Fascists as commercial opponents in Hungary, Yugoslavia, Rumania, Bulgaria, Turkey and Greece.

Italy's share of world trade dropped from 2.9 per cent. of the total in 1929 to 2.5 per cent. in 1938. Much of that loss was to the Nazis in southeast Europe.

Balkan economic experts declare a lowering of the Italian standard of living is attributable directly to German competition in this area.

Italy Gains In Hungary

Only in Hungary has Italy's trade increased to any appreciable degree, Hungarian figures show, and that for the most part is due to political reasons.

The Budapest Government, anxious to keep out of Nazi political influence, deliberately has swung much trade to Rome.

In 1933 Germany supplied southeast Europe with 19.5 per cent. of its imports. In 1937 it supplied 35 per cent.

Italy's share of the area's imports was eight per cent. in 1929. The figure fell to six per cent. in 1937.

Coups Help Nazis

Both Austria and Czecho-Slovakia were important contributors to south-eastern European trade and their absorption into Greater Germany has increased the Nazi hold on commerce there. Last year Germany supplied forty-two per cent. of the area's imports and took forty-five per cent. of its exports.

Money values offer only a comparison of the change.

In 1929 Italian trade with southeast

Europe amounted to 2,405,000,000 lire (\$126,903,000); last year 1,865,000,000 lire (\$98,099,000).

Germany, on the other hand, boosted her share from 1,251,000,000 marks (\$500,400,000) in 1929 to 1,347,000,000 marks (\$538,800,000) in 1938.

Unlisted in the Nazi statistics are her huge arms exports to southeastern European countries. The little nations are buying from Germany what they once purchased from her Axis partner.

Nazi acquisition of Czecho-Slovakia's vast Skoda Works is expected to boost

German sales, since Yugoslavia and Rumania, Skoda-equipped, must buy replacement parts at least from Germany or junk their equipment.

25 YEARS AGO: AUSTRIA GOES TO WAR ON SERBIA

But All That Worried U. S.
Then Were Bunny Hugs
And Turkey Trots

Twenty-five years ago tomorrow, July 28, Austria declared war on Serbia, and the World War began. How did America take the news? What were Americans of July, 1914, doing, saying and thinking? Did they foresee what was going to happen? This article, by a veteran Washington writer, answers these questions.

By Alexander R. George
Washington, July 27 (AP)—The last week of July, 1914, was hot and sultry. Americans dozed at the end of torrid workdays in spacious hammocks. Placid citizens, to cool off, took trolley car and buggy rides. A few enjoyed the dubious luxury of the "gasoline snorter."

In Europe, less than a month before, a murder had been committed. A man named Gavrilo Princip had shot the Archduke Francis Ferdinand of Austria. Most of us in the United States had forgotten all about it.

Drew Had A New Play

Americans talked about the bumper wheat crop, John Drew's new play, and those wicked dance innovations—the bunny hug and the turkey trot.

For three weeks there had been only sketchy dispatches on the ferment in Europe's chancelleries over the almost-forgotten assassination.

Most accounts of European developments were buried on the inside pages of newspapers.

Break Was Sudden

Then came July 28. Headlines screamed:

AUSTRIA DECLARES WAR
ON SERBIA.

Even then comparatively few Americans realized the lid was off the pot.

In Russia, Czar Nicholas' huge army was mobilizing. The "terrible Cosacks" were ready to ride to the aid of fellow-Slavs in Serbia.

In Germany the Kaiser held midnight conferences with his Cabinet. Berlin crowds paraded, singing "Deutschland Uber Alles."

The New Bathing Suits

In America player-pianos banged out: "Everybody's doing it . . . Doing it. Doing what? The turkey trot." Some citizens blamed the trot and the bunny hug for an alarming increase in divorce.

Headlines screamed:

"British Lion Leaps Into Fray."

"Kaiser Ninety Miles From Paris."

Americans were getting war-conscious. But they still devoted lots of attention to the 1914 bathing suits, which featured candy striped knee-length skirts, and to phonographs on

meeting with Chodacki.

Observers here nevertheless—assumed the Foreign Minister obtained some first-hand information regarding developments in and around the Free City.

His absence from Warsaw at the same time was regarded as evidence of a lull in eastern European tension.

Tyrol Group Dissolved

Innsbruck, Germany, July 28 (AP)—A South Tyrolean organization which formerly agitated for return of the South Tyrol district from Italy to Austria—now part of Germany—was dissolved today and its funds taken over by authorities.

wheels that rolled onto porch or lawn.

A war correspondent wrote: "Inexorably the Teutonic steam roller moves westward over a carpet of corpses."

American businessmen in heavy, dark suits, high starched collars, high vests and high shoes worried over the stock market slump. But wheat prices soared amid riotous scenes at Chicago.

American newspapers burst forth with verses like these:

The world's a-tremble with the tread
Of millions of her fighting men
The bodies of the shriveled dead
Pass into common clay again.

And at their doors the women stand
With starving babes at shrunken breast.

And wail their mourning for the band
That perished in the War God's quest.

"Biggest War And Last"

American curbstone opinion placed war guilt equally on the three great royal families, the Hapsburgs of Austria, the Romanoffs of Russia, and the Hohenzollerns of Germany. Germany's invasion of Belgium turned United States sympathies toward that "plucky little neutral."

Said Gen. Nelson A. Miles, famed old fighter:

"This is the biggest and the last of the great wars."

Beck Back In Warsaw

After Trip To Gdynia

Confers With High Commissioner, But Officials Say Visit Was Just Routine

Warsaw, July 28 (AP)—Officials announced the return tonight of Foreign Minister Joseph Beck from Gdynia where he conferred with Marian Chodacki, Polish High Commissioner of the Free City of Danzig.

They took pains, however, to explain that Beck is a yachting enthusiast; that he went to Gdynia, Polish port near Danzig, two days ago for sailing; and that no unusual significance should be attached to his

NIGHT LEAD HITLER

BERLIN, JULY 28--(AP)--REICHSFUEHRER HITLER AND

FOREIGN MINISTER JOACHIM VON RIBBENTROP RETURNED UNEXPECTEDLY TO

BERLIN TODAY FOR A CONFERENCE ON WHAT OFFICIALS CALLED "CURRENT

AFFAIRS."

IN POLITICAL CIRCLES IT WAS BELIEVED THAT GERMANY'S COURSE IN

THE EVENT OF CONCLUSION OF A BRITISH-FRENCH-RUSSIAN MUTUAL AID PACT

WAS THE MAIN SUBJECT OF THEIR TALK.

THE SITUATION ARISING FROM THE UNITED STATES' DENUNCIATION OF HER

TREATY WITH JAPAN ON THE OTHER HAND WAS NOT THOUGHT TO BE PARTICULARLY

DISTURBING TO GERMANY.

30.24 - 2515

30.24 - 2515

HITLER CAME TO THE CAPITAL DURING AN INTERLUDE IN THE WAGNER MUSIC FESTIVAL AT BAYREUTH, AT WHICH HE HAS BEEN IN CONSTANT ATTENDANCE. VON RIBBENTROP IS EXPECTED TO RESUME HIS VACATION AT HIS RESIDENCE NEAR SALZBURG BY SUNDAY.

GERMANY AND JAPAN INITIALLED A NEW ECONOMIC AGREEMENT WHICH GERMAN SOURCES SAID WOULD MAKE INCREASED TRADE POSSIBLE THROUGH CREDITS ADVANCED TO JAPAN FOR PURCHASES OF GERMAN GOODS. THE AMOUNT INVOLVED WAS NOT DISCLOSED.

FD1037PED

JUL 29 1939

A FOREIGN OFFICE SPOKESMAN EXPRESSED CONFIDENCE THAT JAPAN WOULD FIND SOME WAY TO AGREEMENT WITH THE UNITED STATES DESPITE DENUNCIATION OF THEIR TREATY.

HE PROFESSED TO REGARD THE DENUNCIATION AS PRESIDENT ROOSEVELT'S SLAP BACK AT CONGRESS FOR ITS FAILURE TO PASS NEW NEUTRALITY LEGISLATION AND AS A GESTURE OF HELP TO BRITAIN.

THIS SPOKESMAN FURTHER INTIMATED THAT GERMANY MIGHT COMPENSATE JAPAN FOR HAVING TO DO WITHOUT CERTAIN ARTICLES NOW IMPORTED FROM THE UNITED STATES BUT HE DID NOT SPECIFY WHAT IMPORTS WERE MEANT.

THE SEMI-OFFICIAL DEUTSCHE DIPLOMATISCH UND POLITISCHE KORRESPONDENZ, MOUTHPIECE OF THE FOREIGN OFFICE, SAID ROOSEVELT SEIZED UPON THIS "UNFRIENDLY STEP AGAINST JAPAN IN ORDER TO GIVE CONCRETE EXPRESSION OF HIS ANTIPATHY AT LEAST AGAINST ONE OF THE THREE POWERS FOR ORDER (GERMANY, JAPAN AND ITALY) AND IN THIS MANNER TO INTERFERE ANEW IN THE INTERNATIONAL DIFFERENCES."

THE COMMENTARY TERMED THE PRESIDENT'S ACTION "SYMPTOMATIC OF CLOSE COLLECTIVE ACTION OF ENGLAND WITH THE PRESENT GOVERNMENT OF THE UNITED STATES" AND ANOTHER EXAMPLE OF "THE ENGLISH DOUBLE GAME WHICH IS BECOMING EVIDENT EVERYWHERE."

IF ANOTHER TREATY IS NOT REACHED BY JANUARY, THE KORRESPONDENZ SAID, "THE AMERICAN FARMER, WHO ALREADY IS SUFFERING UNDER TRADE LIMITATIONS WITH GERMANY, WILL BE AMONG THOSE IMMEDIATELY DAMAGED."

JUL 29 1939

SHANKS SECOND APL 1935 TV 930P

PARIS, JULY 28-(AP)-INFORMED SOURCES SAID TONIGHT A
 30.24
 FRENCH MILITARY MISSION WOULD LEAVE "VERY SOON" FOR MOSCOW
 FOR JOINT STAFF TALKS BETWEEN FRANCE, GREAT BRITAIN AND
 SOVIET RUSSIA, PARALLELING DIPLOMATIC NEGOTIATIONS FOR A
 THREE-POWER MUTUAL DEFENSE PACT.

THESE SOURCES SAID A COMPLETE ACCORD WAS SO CLOSE AND
 SO SURE THAT MILITARY CONVERSATIONS WOULD BEGIN AS SOON AS
 THE DELEGATIONS CAN REACH MOSCOW.

JUL 29 1939

FOLTZES APL 2238 TV 920P

Vienna Fails To Note 25th Anniversary Of Declaration Of War

Vienna, July 28 (AP)—The twenty-
 fifth anniversary of Austria-Hungary's
 declaration of war on Serbia, which
 signaled the start of the World War,
 passed in silence today in Vienna.

Public observances were lacking and
 not a single newspaper mentioned the
 event.

A Berlin dispatch, however, re-
 minded Austrians that a quarter of a
 century has passed since the beginning
 of the greatest armed conflict in his-
 tory. It said the German army and
 navy would commemorate August 2,
 the date Germany joined forces with
 the Hapsburg monarchy in 1914.

ALL - Vienna - July 28
 THUS FOR AUSTRIA, NOW A PART OF GREATER GERMANY

THE START OF THE WORLD WAR ~~WAS~~ OFFICIALLY ~~WILL~~ BE ASSOCIATED

WITH THE SECOND OF AUGUST.

THE DECLARATION OF WAR BY THE DUAL AUSTRIA-HUNGARY
 MONARCHY, WHICH THE WAR SHATTERED, CAME ON JULY 28, 1914, A
 MONTH TO THE DAY FOLLOWING THE ASSASSINATION OF ARCHDUKE FRANZ
 FERDINAND, HEIR TO THE AUSTRIAN THRONE, AT SARAJEVO, THEN AUSTRIAN
 TERRITORY BUT NOW YUGOSLAV.

BECAUSE RELATIONS BETWEEN GERMANY AND YUGOSLAVIA
 TODAY ARE OF THE FRIENDLIEST, THE NAZIS PERMIT NOTHING TO
 APPEAR IN NEWSPAPER COMMENT REFLECTING SERIOUSLY ON SARAJEVO AND
 ITS CONSEQUENCES.

JUL 29 1939

APL SHANKS 2100 2ND -EDB-726PED

A196

UNDATED ANNIVERSARY
 BY THE ASSOCIATED PRESS

JUL 29 1939

30.24

THE WORLD WAR BEGAN 25 YEARS AGO TODAY. ON JULY 28, 1914, THE DUAL
 MONARCHY OF AUSTRIA-HUNGARY, WHICH THE WAR SHATTERED, DECLARED WAR ON
 SERBIA, WHICH WAS ENLARGED INTO YUGOSLAVIA AS RESULT OF THE CONFLICT.

THE DECLARATION CAME EXACTLY A MONTH AFTER THE ASSASSINATION AT
 SARAJEVO, THEN AUSTRIAN TERRITORY, NOW YUGOSLAV, OF THE ARCHDUKE
 FRANZ FERDINAND, HEIR TO THE AUSTRIAN THRONE. VIENNA SAID SERBIA
 INSPIRED THE CRIME, PRESENTED AN ULTIMATUM DEMANDING SWEEPING
 CONCESSIONS, THEN DECLARED WAR ALTHOUGH SERBIA GRANTED MOST OF THE
 DEMANDS.

WD234PED

30.24 - 2517

BERLIN, JULY 28-(AP)—GERMANY AND JAPAN TODAY INITIALED A NEW ECONOMIC AGREEMENT WHICH OFFICIALS SAID WOULD INCREASE TRADE CONSIDERABLY BETWEEN THE TWO ANTI-COMINTERN PACT PARTNERS.

IT WILL BECOME EFFECTIVE OCT. 1. DETAILS WERE NOT DISCLOSED.

FIRST ADD UNDATED ANNIVERSARY X X X OF THE DEMANDS.

SERBIA TURNED TO RUSSIA AS PROTECTOR OF THE SLAVS AND RUSSIA ORDERED A PARTIAL MOBILIZATION ON HER AUSTRIAN FRONTIER. JULY 29 A COUNCIL OF WAR AT POTSDAM, GERMANY, DECIDED ON WAR WITH RUSSIA AND AS A COROLLARY WITH FRANCE, RUSSIA'S ALLY. DECLARATIONS OF WAR FOLLOWED RAPIDLY.

GERMANY AND RUSSIA WERE AT WAR ON AUG. 1; GERMANY AND FRANCE, AUG. 2. BRITAIN ENTERED THE CONFLICT AUG. 4.

THE UNITED STATES ENTERED THE WAR APRIL 6, 1917.

JAPAN HOLDS UP GERMAN PACT AS WORLD WARNING

Hails It With Unusual Fanfare As Proof Of Axis' Growing Strength

Seen Hinting New Pressure Will Goad Her Into Still Closer Tieup

[By the Associated Press]
Tokyo, July 29—Japan today made a formal announcement of a new trade treaty with Germany, which, observers believed, was timed as a warning to France and Great Britain.

The new agreement, although merely initialed in Berlin yesterday, was announced here with fanfare just two days after the United States denounced its trade treaty with Japan.

Observers believed the announcement was made at this time purposely to counteract the impression caused by the American action and they interpreted it as a warning that unfriendly action by France or Britain would drive Japan into closer relationship with the Rome-Berlin axis.

Stresses Communism Angle

Negotiations for the German pact have been under way since 1937, the Foreign Office announcement said, and it emphasized heavily that the pact strengthened the anti-Comintern front in which Germany, Italy, Japan and some other nations are united to combat Communism.

"Japan," it said, "will be able to get an augmented supply of articles from Germany required in times of peace as well as war. The agreement brings Japan into still closer relationship with her collaborators against the Comintern."

"Steadily Strengthening Axis"

"It is a matter for congratulation that through agreements such as the

trade agreements with Manchoukuo and Italy and the present German-Japanese agreement, the anti-Comintern axis is being steadily strengthened in economic and other spheres."

It was pointed out that this was unusual attention to be given the initialing of a pact that has yet to be ratified and signed.

The Foreign Office said the pact "will come into force upon completion of internal procedures." Details were withheld pending formal signing.

[A brief Berlin announcement said the agreement would become effective October 1.]

U. S. Asked To Reconsider

Three representatives of the University Professors' Society called upon United States Charge d'Affaires Eugene H. Dooman today and handed him a representation asking that the United States reconsider its denunciation of the Japanese trade treaty. They expressed "profound regret" at the action in view of "long-standing friendly relations" between the United States and Japan.

Meanwhile, with the Anglo-Japanese negotiations over the Tientsin affair deadlocked on economic problems the British Ambassador and Japanese Minister-At-Large in China decided to appoint a four-man committee to discuss these problems. The committee is to meet Monday morning and the full conference Monday afternoon.

Hint To U. S. Is Seen In Tokyo-Nazi Pact

Tokyo, Sunday, July 30 (AP)—The initialed in Berlin of a new German-Japanese trade treaty was interpreted here today as enabling the Japanese Government to save face domestically after the shock of Washington's abrupt denunciation of the 1911 American-Japanese trade pact.

The agreement with Germany was initialed Friday, and yesterday the Foreign Office gave the development unusual attention by issuing a statement stressing the significance of the pact as strengthening the anti-Comintern front.

Closer Ties Seen

"Japan will be able to get an augmented supply of articles from Germany required in times of peace as well as war," the statement said. "The agreement brings Japan into still closer relationship with her collaborators against the Comintern."

"It is a matter for congratulation that through agreements such as the trade agreements with Manchoukuo and Italy and the present German-Japanese agreement the anti-Comintern axis is being steadily strengthened in economic and other spheres."

Some circles interpreted the special mention of Japan's new ability to get articles "required in times of peace as well as war" as a hint to the United States that steps thereby were being taken to soften the blow of any arms embargo.

Nazi General Quoted

Japanese newspapers quoted Maj. Gen. Eugen Ott, German Ambassador to Tokyo, as saying, "The new agreement is an expression of the will of both nations to promote their relations in the fields of not only economics but also of politics."

Many observers considered the German-Japanese action a swift maneuver clearly linked with the American abrogation of the American-Japanese treaty last Wednesday.

It was stressed that the important question for Japan was whether the United States would follow her denunciation with any other step, such as an arms embargo.

BRITISH RUSH NAVY TO FIGHTING PEAK FOR DANGER PERIOD

Aim Is to Impress Hitler With Sincerity of Declarations.

LONDON, July 29 (A. P.).—Britain swung into a huge mobilization of naval forces today to bring her vast armaments to full strength for the August and September "danger period."

While regulars and reserves were summoned to duty to place the fleet at the peak of fighting power along with land and air services, sources close to the Government said Prime Minister Chamberlain was expected to make a statement Monday on the British-French-Soviet talks.

It was said plans for immediate military staff conversations among the three Powers would be announced then, along with reaffirmations of a desire for a three-Power mutual-aid pact.

Officers and men of the regular navy—back from leaves which had been advanced a month so the fleet would be fully manned during the period regarded as most likely to produce international tension—set about readying ships to go to sea. Some 12,000 reservists packed their kits to report Monday. After an inspection by King George August 9, reserve vessels will join regulars in the biggest peacetime war games in Britain's history.

Hope to Impress Hitler.

Re-enforcement of naval power marks another step in the show of force which the Government hopes will impress Chancellor Adolf Hitler of Germany with Britain's "sincerity of purpose."

In quick succession Britain has passed the first peacetime compulsory training bill since Cromwell's time, begun calling up conscripts and reserves of the army, air force and navy in expectation of having 1,000,000 men under arms by the end of the year, speeded the building of armaments, and promised to give her allies \$60,000,000 (\$280,800,000) credits to arm themselves.

In addition, Britain has initiated a series of mass aerial training flights with France and concentrated on an intensive civil defense training program which includes distribution of leaflets telling householders how to be prepared for war.

Huge Blackout Planned.

A series of practice blackouts against air raids will be climaxed August 20 with one including more than half of England and covering the city of London. Anti-aircraft guns and a balloon barrage de-

signed to divert enemy planes are being manned in special training maneuvers.

Despite preparedness measures and Mr. Chamberlain's declaration that England would back Poland against a Nazi coup in Danzig, anti-appeasement circles still view the Government's policies with suspicion.

Parliament is to take a two-months recess beginning August 4. Mr. Chamberlain has told the House of Commons that "if the Government contemplates some important departure in foreign policy," a special session would be called.

BRITAIN PREPARES AS CRISIS IMPENDS

Marshals Vast Sea Forces In Fear Of Late Summer International Tension

[By the Associated Press]
London, July 29—Britain today marshaled her vast sea forces in fear of late summer international tension, prepared for military collaboration with Soviet Russia and showed an increasing tendency to resist Japanese demands in China.

Mobilization of naval power got under way as battleships of the home fleet sailed for training cruises and firing practice in advance of maneuvers, the biggest peacetime war games in British history, which are to begin in mid-August.

The maneuvers are scheduled to start after King George reviews the reserve fleet August 9 and to coincide with the period many observers believe will see mounting international tension.

To Protest Riots

Official quarters, meanwhile, said the British Ambassador to Tokyo, Sir Robert Leslie Craigie, had been instructed to make representations to Japan against anti-British demonstrations which have continued during the Tokyo talks over British-Japanese difficulties in China.

Those talks have not been going well, officials indicated, with currency and silver questions coming up for consideration Monday. It was understood Japan asked that British protection be withdrawn from Chinese Government silver which is in banks of the Tien-tsin British Concession.

Since June 14 the British and French concessions there have been under Japanese blockade while anti-British

demonstrations have been staged in Tokyo, Peiping, Tsingtao and other cities.

New Outbreaks Feared

There were reports in London that Tokyo municipal authorities were arranging further anti-British rallies Monday outside the British Embassy and the building in which the conferences are being held.

Dissatisfaction was indicated in official circles over progress of the Tokyo negotiations, and pressure for a stronger stand in the Orient has grown since the United States denounced her 1911 trade treaty with Japan July 26.

A statement in the House of Commons on the protracted British-French-Soviet negotiations is expected

from Prime Minister Neville Chamberlain Monday prior to the last foreign-affairs debate before Parliament adjourns August 4.

Staff Talks Planned

It was considered probable he would mention the possibility of starting military staff conversations among British, French and Russian generals even before conclusion of the projected mutual defense pact.

Increasing the belief that "immediate" staff talks would be announced was the report that Georges Bonnet, French Foreign Minister, had told his colleagues in Paris he expected Gen. Joseph Edouard Doumenc would leave for Moscow "about the middle of next week."

In a speech at Llandrindod, Wales, David Lloyd George, wartime Prime Minister, attacked the Government for sending "a clerk from the Foreign Office" to represent Britain in the Moscow negotiations.

There Since June 14

William Strang, counselor of the Foreign Office, has been in Moscow since June 14 participating in the talks.

Calling Soviet Russia "the greatest military power in the world," Lloyd George said: "If you want their help you ought to send somebody there who is worthy of our dignity and theirs."

Another development of a busy Monday is to be the reporting of 12,000 naval reserves for duty with regular officers and seamen back from holidays which were granted a month earlier this year so they would return in time to bring the fleet to its peak fighting power during August.

Reinforcement of naval power is another step in the general military preparedness which Britain hopes will convince Germany of Britain's readiness for action.

Treaty Denunciation Urged

Some quarters expressed the opinion Britain ought to denounce her own 1911 trade treaty with Japan.

The *Daily Express* declared "Britain should follow a common course with

the United States in the Far East."

The *Mirror* said that "for several anxious years we have forgotten that the head of a democratic state can make a swift decision that is not always a complete surrender," adding

that when a "breath of keener air" is desired, "we now have to turn toward America."

Commenting on suggestions that a day be fixed for recall of Parliament, the *Star* said:

"Happily we do not expect a crisis, but it would be ostrichlike to pretend that affairs are normal in the world and, while they are not, abnormal measures should be taken to meet them."

Recall Promised

Chamberlain has told opponents of the Parliamentary recess who want the House of Commons to stay on as a "watch dog" over his foreign policy that a special session would be called if any important change in policy is contemplated.

CALLS ENVOY CLERK

Lloyd George Says British Insult Russia.

LLANDRINDOD, Wales, July 29 (A. P.).—David Lloyd George, wartime Prime Minister, excoriated the Government today for sending "a clerk from the Foreign Office" to Moscow to negotiate a mutual aid pact, terming it an insult.

"Before that treaty is signed," he said in a speech, referring to the proposed Anglo-Franco-Soviet mutual aid treaty, "Danzig will be as much a German city as Breslau or Berlin."

William Strang, a counsellor in the Foreign Office, has been in Moscow since June 14.

"You are dealing with the greatest military power in the world and asking them to come to your help—you are not negotiating with an enemy," said Mr. Lloyd George. "If you want their help, you ought to send somebody there who is worthy of our dignity and theirs."

British Envoy Flies to Poland

LONDON, July 29 (A. P.).—Sir Howard Kennard, British Ambassador to Poland, left by airplane for his post today after reporting to Prime Minister Neville Chamberlain and attending a meeting of the Foreign Affairs Committee of the Cabinet.

Danzig Plans Protest On Polish Plane Flight

DANZIG, July 29 (A. P.).—Danzig authorities prepared today a protest to the Polish commission against an alleged unauthorized flight by a Polish plane over Fre-

where a Danzig customs official recently killed a Polish frontier soldier.

Danzig officials reported that the plane probably was making photographs over a region where Polish-Danzig relations are especially strained.

Hitler Pays Inspection Visit To Siegfried Line

Receives "With Satisfaction" Reports Of Progress On Defense Works

Saarbrücken, Germany, July 29 (A. P.).—Reichsmarschall Hitler today inspected fortifications of the Siegfried line in the Saar district, near the French frontier, and received "with satisfaction" reports on progress of defense works and army maneuvers.

After the inspection the Führer flew to Bayreuth to resume attendance at the Wagner music festival.

Hitler had spent most of the week at Bayreuth until he went suddenly to Berlin yesterday to confer with Joachim von Ribbentrop, Foreign Minister, who accompanied him to the Saar region.

They have, however, that Germany lead will make a try at creating another crisis. The German Government's appeasement—and they feel that the situation will be a happy one.

Harvest time, now at hand, is named in many forecasts concerning Europe's next period of tension.

There is a widely-held fear that the danger of war may become acute once the crops are in and men released from the fields to relinquish the scythe for the gun.

Harvest time always is an important time, and normally a happy

one if the crops are good, as they promise to be.

In wheat alone the forecast is that the yield will exceed the five-year average in the European exporting countries, which include Poland.

The end of the harvest means that peasants after months of heavy work can begin to relax and restore their energy.

SHOWDOWN APPROACHES

But this year it may mean much more. A widely held belief is that:

1. Early August may see a period of

witness an actual showdown as far as the possibility of war this year is concerned.

This latter move, holders of the belief contend, will be the final effort to provoke an appeasement policy from the western powers—the climax of the game of war without war. "It will mean that the axis powers have gone the limit; that Hitler will admit, in his actions, that the only thing left is negotiation. But if he must negotiate, he will of course try to drive as good a bargain as possible."

BERLIN, JULY 29—(AP)—REICHSFUEHRER HITLER LEFT BERLIN THIS MORNING TO RETURN TO BAYREUTH WHERE HE WILL CONTINUE TO ATTEND THE WAGNER MUSIC FESTIVAL AFTER A ONE-DAY VISIT IN THE CAPITAL.

FOREIGN MINISTER JOACHIM VON RIBBENTROP, WHO ALSO RETURNED TO BERLIN YESTERDAY UNEXPECTEDLY, ALSO LEFT. HIS DESTINATION WAS HIS SUMMER HOME NEAR SALZBURG.

AUTHORITATIVE QUARTERS WOULD SAY NOTHING ON THE REASONS WHICH BROUGHT THE TWO MEN TO THE CAPITAL FOR ONLY ONE DAY.

See Europe's Harvest Reaping New Crisis

Many Think England and France May Beat Hitler to Punch With Their Own Demands

Warsaw, July 29 (A. P.).—Many Polish observers believe that Great Britain and France may make demands of their own before Poland. Hitler makes any possible new step to emphasize his own aspirations.

sharp crisis, with Germany possibly imposing a period of nervous strain, on Poland especially, and with the western European powers countering with pressure of their own.

Europe by early September should

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IS 100 PER CENT FOR PEACE" AND EMPHASIZED THAT HITLER CLING TO THE DEFINITION OF THE NAZI PARTY CONVENTION AT NUERNBERG ON SEPT. 2-11 AS "THE PARTY DAY OF PEACE."

(AT THE SAME TIME HE DECLARED THAT GERMANY EXPECTED HER DEMAND FOR THE RETURN OF DANZIG WOULD BE ATTAINED IN A PEACEFUL MANNER WITHOUT ANY COMPROMISE ON HER PART.)

HERE IN EASTERN EUROPE THE FEELING IS EXPRESSED THAT HITLER UNDERESTIMATED POLAND AND THE POLISH PEOPLE IN MAKING HIS DEMANDS

FOR THE FREE CITY OF DANZIG AND A SOVEREIGN RIGHT-OF-WAY THROUGH POMORZE (THE POLISH CORRIDOR) TO CONNECT PRUSSIA WITH THE REST OF GERMANY.

THE OLD GERMAN FEELING THAT THE NEW POLAND WAS ONLY A "SEASON" STATE, IT IS SAID, PREVAILED.

A STORY TOLD HERE IS THAT WHEN THE POLISH FOREIGN MINISTER, JOSEPH BECK, INFORMED THE GERMAN AMBASSADOR IN MID-MARCH THAT THE ANSWER TO GERMANY'S DEMANDS WAS "NO," HE ADDED SOFTLY AND ALMOST AS AN AFTERTHOUGHT:

"YOU MIGHT WISH TO INFORM YOUR GOVERNMENT THAT WE HAVE A MILLION MEN UNDER ARMS."

IT IS AGAINST THIS SITUATION THAT GERMANY HAS BEEN BLOCKED FOR FOUR MONTHS.

THE POLISH ARMY IS MOBILIZED AND READY AND THE POLISH PEASANT SAYS: "IF MY HOUSE IS DESTROYED, I'LL BUILD A NEW ONE--A BETTER ONE, I NEED A NEW HOUSE."

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WHAT CONFRONTS HITLER TO AN INCREASING DEGREE ALSO IS THE SOLIDARITY OF THE BRITISH-FRENCH FRONT AND SIGNS OF DIPLOMATIC COUNTERPRESSURE AS REARMAMENT PROGRESSES.

MANY OBSERVERS SEE THE CHANCE EVEN THAT BRITAIN AND FRANCE MAY MAKE DEMANDS OF THEIR OWN BEFORE HITLER MAKES ANY POSSIBLE NEW GESTURE TO EMPHASIZE HIS OWN.

THEY HOLD, HOWEVER, THAT GERMANY'S LEADER WILL MAKE A TRY AT CREATING ANOTHER CRISIS DESIGNED TO ENCOURAGE APPEASEMENT--AND THEY FEEL THAT THE FINISH OF HARVESTING WILL BE A LIKELY TIME.

MEANWHILE, THE SAME SKIES THAT SPILL SUNSHINE OVER THE HARVEST FIELDS BY DAY REFLECT AT NIGHT THE BEAMS OF AIR RAID PRECAUTIONS SEARCHLIGHTS.

4 Little Nations Strive to Repel Axis Influence

Hungary, Rumania, Bulgaria
and Yugoslavia Oppose
Doctrinal Infiltration

BUDAPEST—(Correspondence of the Associated Press)—Four little countries in southeastern Europe—Hungary, Rumania, Bulgaria and Yugoslavia—have taken strong measures, individually, to counteract the steady seepage of Nazi and Fascist influence into their domestic politics.

With anxious eyes they have watched Austria, Czechoslovakia and Albania disappear as nations. In each case Germany or Italy had obtained a strong foothold as a preliminary step to absorbing the countries. Methods of combating these attempts vary with each country.

Hungary, probably the most exposed of the four, co-operates with Germany in foreign policy to keep the Nazis from attempting too much intrusion in her internal affairs. Premier Count Paul Teleki, geographer by profession, has formed a powerful government organization—the Hungarian Life Party—in an endeavor to cut the ground out from under six Nazi groups.

Carol Has a Way

In Rumania, King Carol's home-made Nazi party, a one-party system, is regarded as an anti-toxin for ideas "made in Germany." He has powers equal to those of Hitler or Mussolini.

King Boris, of Bulgaria, the real ruler of the nation, although Parliament is in constant session, has smashed one German-supported Nationalist Socialist party. Another party, the National and Social Movement, is under police attention because it is sympathetic with Nazi ideas.

Yugoslavia, with Italian, German, Hungarian and Bulgarian troops on her sparsely fortified borders, has taken sharp police measures to curb Nazi and Fascist propagandists. Meanwhile she is endeavoring to calm her domestic waters.

Back of all the uneasiness in these little nations is evidence of more unity and patriotism on the part of native leaders.

Hungary's strange position in the picture is, perhaps, best shown by the fact that the same day the government signed the anti-Comintern pact, aligning the nation with Germany, Italy and Japan, the Nazi Hungarist party was smashed by the police.

Nazi appeal in Hungary is to the large landless peasant group, the underpaid industrial workers and the professional middle classes, hard hit by the economic depression. Nazi parties promise revolutionary land reform, higher wages and jobs at the expense of the Jews.

A Milder Fascism

Premier Teleki and his Hungarian Life party—the members of which wear uniforms adapted from the national dress—have adopted milder versions of the Nazi programs. Laws

restricting Jewish participation in business and professions have been voted; land reforms have been advocated.

Life in Rumania under the "Front of National Rebirth"—complete with uniforms and Roman salute—outwardly varies little from life in Germany and Italy. But at least, say the patriotic Rumanians, it is controlled in Bucharest and not in Berlin or Rome.

King Carol has adopted some modified Nazi and Fascist ideas—such as "national regeneration," a five-year plan, a corporative parliament and a semi-military "national guard."

The King set up his one-party system because of alarm over the spread of Nazi influence. The slogan is "Rumania for the Rumanians." German and Italian anti-Jewish legislation has been copied and an increasing number of Jews have been eliminated from the professions and business.

Codreanu Out of Picture

The one-party system came into being almost immediately after police had shot Cornelius Codreanu, known as Rumania's "little Hitler," and a group of his followers who had been accused of taking orders—and cash—from Berlin.

Bulgaria is in much the same position as Hungary in regard to the Reich. Most of her trade is with Germany, and Nazi leaders have promised help in recovering war-lost territories.

King Boris has found it expedient to co-operate with Germany's foreign policy, although to a lesser extent than Budapest, in order to

keep Hitler's good will for trade and possible territorial recovery.

Boris has a firm hand on his nation. There is a nominal ban on political parties. The press is heavily censored. But, unlike Carol, Boris has carefully safeguarded democratic machinery in the hope that civil liberties and representative government some day may be fully restored.

Bulgaria's fight against Germany's intrusion into domestic affairs is made easier because she has neither a German minority nor a Jewish problem. But 72 per cent of her exports are sent to the Reich, and she receives almost as great a percentage of imports.

Like other Balkan nations, most of Yugoslavia's trade is with the Reich. The country is under a virtual dictatorship with democratic machinery. The Premier's Radical Union party is in strict control, notwithstanding a strong united opposition.

Premier Dr. Dragisa Cvetkovich has repeatedly declared that the country's future depends upon cordial relations between the ruling Serbs and the discontented Croats. Until the impassioned Croat leader, Dr. Vladko Machek, is satisfied, the Premier's followers fear that domestic difficulties will make the nation an attractive field for German and Italian attempts at domination.

CONSTITUTIONAL SAFEGUARDS AGAINST POSSIBLE CONTROL OF THE
ELECTIVE LOWER HOUSE OF PARLIAMENT HAVE BEEN PASSED. REGENT ADMIRAL
NICHOLAS HORTHY, OUTSTANDING DEFENDER OF HUNGARY'S INDEPENDENCE, NOW
HAS THE RIGHT TO DISSOLVE PARLIAMENT AND TO TAKE PART IN NAMING HIS
SUCCESSOR. THE NON-ELECTIVE UPPER HOUSE HAS THE SAME RIGHTS AS THE
LOWER ASSEMBLY.

CONSTANT PRESSURE ON NAZI PARTIES IS MAINTAINED BY THE POLICE.
MEMBERS CAUGHT WEARING THE FORBIDDEN BLACK UNIFORM, A COPY OF GERMANY'S
BLACK GUARD OUTFIT, ARE STRIPPED BY POLICE. THERE ARE HEAVY PENALTIES
IMPOSED FOR DISTRIBUTION OF NAZI PROPAGANDA. NAZI MEMBERS OF PARLIA-
MENT, FOUND TO HAVE POLICE RECORDS, ARE DEPRIVED OF THEIR SEATS.

BUT ON FOREIGN POLICY HUNGARIANS APPEAR TO BE GENERALLY AGREED
THAT CO-OPERATION WITH THE REICH IS NECESSARY. THE MILITARY MINDED
POINT OUT THAT NAZI MOTORIZED TROOPS COULD REACH BUDAPEST IN SIX HOURS
FROM THE FRONTIER.

GERMAN PENETRATION INTO RUMANIA ORIGINALLY TOOK THREE FORMS:
RACIAL, IDEOLOGICAL AND ECONOMIC.

MORE THAN HALF A MILLION SAXONS LIVE IN TRANSYLVANIA, ORGANIZED
BY BERLIN-TRAINED LEADERS. CODREANU'S TERRORISTIC "IRON GUARD"
ABSORBED NAZI IDEAS AND TECHNIQUE.

THERE IS OPPOSITION TO THE GOVERNMENT IN PARLIAMENT WITH 50
OF THE 160 DEPUTIES AGAINST THE REGIME OF THE KING AND HIS PREMIER,
DR. GEORGE KIOSSEIVANOFF.

THE DISSENTING DEPUTIES, HOWEVER, CAN NOT COMBINE INTO A
POLITICAL PARTY INSIDE PARLIAMENT. THEY WERE REQUIRED TO TAKE AN
OATH BEFORE THEIR ELECTIONS THAT THEY DID NOT ADVOCATE
"VIOLENT METHODS IN POLITICAL AND SOCIAL STRUGGLES."

PUBLIC OPINION SEEMS TO BE BEHIND THE KING IN HIS FIGHT AGAINST

DOMESTIC NAZI INFLUENCE.

IN YUGOSLAVIA, THE GOVERNMENT UNDER PREMIER DRAGISHA CVETKOVICH,
IS WRESTLING WITH INTERNAL PROBLEMS. IT IS ATTEMPTING TO SETTLE THE
DEMANDS OF SOME 5,000,000 CROATS FOR HOME RULE AS QUICKLY AS
POSSIBLE. MORE THAN 1,000,000 SLOVENES IN THE NORTH ARE CARRYING ON
AN ECONOMIC WARFARE WITH HALF A MILLION GERMAN CITIZENS OF THE COUNTRY.
THE CROATS ARE ALIGNED AGAINST THE SERBS.

THE NAZI ZBOR PARTY LED BY FIERY MILAN LYOTIC, CLAIMS PRESENT
GERMAN POLITICAL METHODS ARE THE ONLY CURE FOR DOMESTIC DISCORD.
THE POLICE HAVE TAKEN STERN MEASURES TO CURB THE PARTY'S INFLUENCE.

CONFIDENCE GROWS IN LONDON MARKET

Cheered By Moscow Parley,
But Anxious Over
China Problem

[By the Associated Press]

London, July 30.—Slowly increasing
confidence over the international situa-
tion, encouraged by prospects of suc-
cess for the British-French-Russian
mutual aid negotiations, contributed
to an upswing in prices last week.

The improvement, which began the
previous week with rumors of pre-
liminary negotiations toward settle-
ment of European problems, was prin-
cipally one based on such confidence.
There was noticeable betterment of
business, however, in the more specu-
lative sections.

Although there was widespread be-
lief in city circles that the Moscow
talks will continue for some time, ob-
servers said it was hardly conceivable
that with staff talks in progress—as
they are expected to be in a few
days—Russia would refuse if Britain
and France were involved in war.

Lack of progress in the British-
Japanese conference in Tokyo on
China policy and probable effects on
British trade in China, however, caused
anxiety in banking and commercial
circles.

Widespread regret was expressed in
financial quarters that President
Roosevelt's decision to end the com-
mercial treaty with Japan had not
been made earlier. It was appreciated,
however, that the decision must

strongly influence Japan's future policy
despite her new trade agreement with
Germany initialed Friday in Berlin.

There were growing hopes that the
American attitude would cause a stiff-
ening of the British outlook and lead
eventually to United States aid in
solution of the Chinese currency prob-
lem.

City circles expressed belief that the
American move had created a firmer
tendency in the Shanghai dollar. Al-
though the London market for Shang-
hai dollars is largely nominal, it is
considered important for British trade
in China that support of the currency
should be maintained.

Financial and trade circles asserted
that British acceptance of Japan's de-
mands for handing over Chinese
Government silver stocks in Tientsin
and eliminating the Chinese dollar
would be "a grave diplomatic rout"
and mean ruin for British trade in
China.

Ever since Sir John Simon, Chan-
cellor of the Exchequer, told the House
of Commons July 13 that a further
public loan of £350,000,000 (about
\$1,638,000,000) must be floated to finance
rearmament, London's financial com-
munity has been wondering how, at
what rate and when the borrowing
operation would be carried out.

Czech Church Festivals Become Patriotic Rallies

National Feelings Find Voice
Despite Nazi Ban

PRAGUE, July 30 (AP).—Tens of
thousands of Czechs attended today
church festivals which developed
into ardent national manifestations.
Forbidden to hold political meetings,
Czechs lately have used church fes-

tivals for their patriotic feelings.

At Sbrslav, near Prague, the Rev.
Aloysius Tilinek, a Roman Catholic
priest who has been questioned by
the German secret police because of
his sermons, appealed to the Czechs
to follow "a straight path" and not
to look back. He asked them to

keep the peace inwardly and out-
wardly.

The meeting, held on historic
ground, closed with prayers for the
Czech fatherland and an appeal to
the Czech patron saint, Wenceslaus,
to protect the nation. The ceremony
was held where princes of the line
that founded the ancient Bohemian
kingdom are buried.

Similar demonstrations were held
at Deutsch Brod, on the border be-
tween Bohemia and Moravia, and at
Hlinsko, southeast of Prague, where
the day was devoted to Czech na-
tional music and dances.

HUNGARIAN HAILS AXIS

Foreign Minister Says Nation
Backs Totalitarian Bloc

Budapest, July 30 (AP).—Count Ste-
phen Csaky, Foreign Minister, de-
clared today that "Hungary adheres
with instinctive sincerity to the pol-
icy of the Axis powers."

In an address opening the summer
university at Syopron, near the Ger-
man border, Count Csaky described
the Rome-Berlin Axis as "a young,
unbreakable and dynamic force which
will strongly influence the future."

BUDAPEST, JULY 30-(AP)-THE OFFICIAL HUNGARIAN NEWS AGENCY SAID MORE THAN 60 SHOTS WERE FIRED BY RUMANIAN GUARDS INTO HUNGARIAN TERRITORY AT TECSO LAST NIGHT.

THE AGENCY ASSERTED THE GUARDS BEGAN FIRING AT RAFTSMEN ON THE TISZA RIVER, BUT THE BULLETS STRUCK THE HUNGARIAN CUSTOM HOUSE ON THE OPPOSITE BANK.

A HUNGARIAN PATROL FINALLY RETURNED THE FIRE, AND THE SHOOTING STOPPED AT DAWN WITH NO CASUALTIES RESULTING FROM THE EXCHANGE.

THE POPULATION ON THE HUNGARIAN NORTHEASTERN FRONTIER WAS DESCRIBED AS "TERRIFIED" BY THE OCCURRENCE.

DA440PED

MOSCOW, JULY 30-(AP)-FASCIST NATIONS WERE CALLED "THE CLENCHED FI OF THE CAPITALIST WORLD AGAINST THE U.S.S.R." TODAY BY THE SOVIET GOVERNMENT NEWSPAPER IZVESTIA IN AN ARTICLE ON THE 25TH ANNIVERSARY OF THE WORLD WAR.

REASONS FOR THE 1914 CONFLICT--RIVALRY OVER SPHERES OF INFLUENCE, TERRITORY, COLONIES AND RAW MATERIALS--ARE SIMILAR TO THOSE PREVAILING TODAY, THE PAPER SAID.

THE ARTICLE DECLARED BRITAIN BEFORE THE WAR WAS OVERTAKEN BY OTHER COUNTRIES, NOTABLY GERMANY AND THE UNITED STATES, AND THE BALANCE THUS DISTURBED COULD BE CORRECTED ONLY BY WAR. THE GERMAN POSITION WAS SAID BY IZVESTIA TO BE WORSE THAN IN 1914 BUT THE INTERNATIONAL SITUATION ALSO HAS SOME CHANGES.

"A SIXTH PART OF THE WORLD HAS WITHDRAWN FROM THE SYSTEM OF WORLD CAPITALISM," DECLARED IZVESTIA. "THE VERY EXISTENCE OF THE SOVIET UNION--OF THIS MIGHTY, INVINCIBLE, FORTRESS OF SOCIALISM--IS A DECISIVE POWER IN THE WORLD, A FACTOR WHICH HINDERS DEVELOPMENT OF A SECOND WORLD WAR.

30.24-2521

"OF COURSE THE IMPERIALIST STATES OBSTINATELY TRY TO FIND A WAY OUT OF THEIR CONTRADICTIONS THROUGH AN ANTI-SOVIET WAR. OF COURSE THE IDEAL OF INITIATORS OF NON-INTERVENTION CONSISTS IN DIVERTING THE FLAMES OF A SECOND IMPERIALIST WORLD WAR AGAINST THE SOVIET UNION.

"IF THE SOVIET UNION WERE WEAK THIS POLICY OF NON-INTERVENTION, OF ATTEMPTS TO SOLVE INTERNAL CONTRADICTIONS OF THE CAPITALIST WORLD AT THE EXPENSE OF THE U.S.S.R., WOULD HAVE SOME CHANCE OF SUCCESS.

"BUT THE U.S.S.R. IS STRONG AND MIGHTY, X X X READY AT ANY TIME TO DEFEAT ANY AGGRESSOR OR COMBINATION OF AGGRESSORS."

DA208PED

British and French Missions To Confer With Soviet Staff

Chamberlain Tells Commons Only Definition of Indirect Aggression Blocks Pact-- May Not End Japanese Pact.

LONDON, July 31 (A. P.).—Prime Minister Chamberlain, in a comprehensive statement on the international situation today, said that it was difficult to see how the world armament race could be solved except by war itself. But he added that he had hopes that "we might yet find a way to escape from the present nightmare into the sun-

light of peace."

In reviewing problems facing Great Britain, he told the House of Commons:

1. That Great Britain and France would send military missions to Moscow—probably this week—to start military staff talks with Russia.

2. The chief factor delaying conclusion of a British-French-Russian mutual assistance pact was a definition of "indirect aggression."

3. The Danzig situation "requires very careful watching but we do not feel undue concern."

"Anti-British agitation in North China might make a successful outcome of the current Anglo-Japanese negotiations on the Tientsin dispute very difficult, and if the anti-British movement progressed unchecked, "the British Government would be obliged to take a serious view of the situation."

Great Britain could not discuss the question of supporting Chinese currency with Japan "without fullest communication with other countries."

The general objects and aims of the United States and Great Britain were closely similar, but that did not mean that Great Britain would follow the example of Washington and denounce her trade treaty with Japan, and Mr. Chamberlain added:

"We may find that different methods are appropriate in different cases, but the House may rest assured that this Government places utmost importance upon collaboration where collaboration is possible and desired with the United States and that we never fail to keep that Government informed of all that we are doing or are about to do."

Calls Snag No Secret.

This statement followed his comment regarding the British-French-Soviet pact negotiations. "There is no secret," he declared "about the fact that the British

Government, the Soviet Government and the French Government combined have not yet been able to agree upon a definition satisfactory to all parties on the term, indirect aggression, although all three realize that indirect aggression might be just as dangerous as direct aggression and all three desire to find a satisfactory method of providing against it."

Russian Formulas Not Acceptable.

"If we do not agree with the Soviet Government on a definition of indirect aggression, it is because the formula that the Russian Government favors appears to carry this precise significance," he declared.

He added that the Russian Premier and Foreign Commissar, Vyacheslav Molotov, had told the British and French negotiators that if military conversations were begun, "political difficulties should not prove insuperable."

For this reason, he stated, Great Britain and France had decided to send the military missions to Moscow.

Provisional Pact Rejected.

Mr. Chamberlain disclosed that Great Britain and France had offered to sign a provisional agreement and work out details later, but that "the Soviet Government thought otherwise and preferred to sign or initial nothing until we had got to a complete agreement."

Referring to his announcement concerning the military missions, Mr. Chamberlain said:

"We are surely showing a great amount of trust and a real strong and intense desire to bring the issue to a successful conclusion when we agree to send soldiers, sailors and airmen to Russia to discuss how we can make our military plans together before we have assurance that we shall yet be able to come to agreement on political matters."

Detailed Statement on China.

Mr. Chamberlain's statement on the Far East was the most detailed in his speech.

Defending the formula through which Great Britain agreed to recognize Japan's "special rights" in China, he said that it "did not denote a change in policy nor recognition of belligerent rights on the part of Japan, did not betray British interests in China and did not purport nor intend to purport surrender any rights belonging to third parties."

Of Europe in General.

Touching on the European situation in general, Mr. Chamberlain concluded:

"Unhappily, bad feelings between nations is fomented daily by poisonous propaganda in the press and by other means. I cannot help feeling that if only we halt this war of words and some action is taken which would tend to restore confidence of the people in the peaceful intentions of all statesmen in Europe—if only that could be done, then I still feel that I know of no question that could not and should not be solved by peaceful discussions. The gains to all concerned would be incalculable."

Eden Favors Larger Mission.

Former Foreign Secretary Anthony Eden spoke immediately after the Prime Minister and said that the situation today was "difficult, anxious and menacing."

There is no improvement or relaxation of tension," he said, "nor can any of us expect such relaxation in coming weeks."

"No doubt we shall be lulled, soothed, threatened and provoked, but in essence the Nazi purpose remains the same—to impose upon Poland this year the fate which she imposed on Czecho-Slovakia last year."

"The best contribution we can make is to complete the peace

front at the earliest possible moment."

Turning to the Moscow negotiations, Mr. Eden said:

"I would enlarge the military mission and make it a political one as well. Some one should talk to Monsieur Stalin and see if anything can be done to settle the negotiations in one week."

Berlin Expresses No Concern.

BERLIN, July 31 (A. P.).—A German Foreign Office spokesman said today that the visit to Russia by French and British military missions would be "of no concern

to Germany and moreover it would be a step logically to be awaited."

ANGLO-FRENCH-SOVIET WAR STAFFS TO MEET

Chamberlain Tells Commons Missions Will Leave London and Paris at Once for Moscow—Evasive on Japan.

LONDON, July 31 (A. P.).—Prime Minister Chamberlain told the House of Commons today that British and French military missions would be sent to Moscow for staff talks, "probably this week."

He added that political discussions on the proposed British-French-Russian mutual assistance pact would proceed side by side with the military conversations.

The Prime Minister's statement was made at the opening of a foreign affairs debate at the beginning of Parliament's last week of sessions before recessing until autumn.

The British mission, Mr. Chamberlain said, would include Admiral Sir Reginald Plunkett-Erle-Drax, Air Marshal Sir Charles Burnett and Major-Gen. T. G. G. Heywood.

Who's Who in Mission.

Sir Reginald is a veteran of forty-two years' naval service and participated under Admiral Lord Beatty in the world war battles of Helgoland, Dogger Bank and Jutland. When the 1938 European crisis developed and the British Navy was mobilized, termination of his three-year assignment as Commander-in-Chief at Plymouth naval base was deferred for a month. He is a brother of Lord Dunsany, Irish author.

Sir Charles is a veteran of the world war and later had charge of Great Britain's air training establishments.

Gen. Heywood is a gunnery expert. In 1927 he was surrounded by a Cantonese mob in China and was rescued as one assailant stood on the running board of his automobile with a poised sword.

Departure to Be Speeded.

"The Soviet Government has proposed that at the present state of negotiations it would be an advantage to begin military conversations forthwith," he said.

"His Majesty's Government the French Government

made to send British and French military representatives to Moscow as soon as possible."

[France announced last Friday that Gen. Joseph Edouard Doumenc would head her mission.]

Replying to a question by Miss Eleanor Rathbone, the Prime Minister said the missions probably would start this week.

Foreign Affairs Debated.

Launching the foreign affairs debate, Sir Archibald Sinclair, Liberal leader, said:

"Let me say quite bluntly to the Prime Minister that the impression exists that he is still at this time more inclined to appeasement and less resolute in his resistance to aggression than the Foreign Secretary (Lord Halifax)."

Sir Archibald said there was a great need for Mr. Chamberlain to make clear that it really was his policy to resist aggression and to construct a peace front for that purpose.

Parliament, Sir Archibald added, stood in urgent need of reassurance about the negotiations with Russia and that "it ought not to adjourn, or at any rate it ought not to adjourn for a long period until these negotiations have been concluded."

Sidesteps Questions on Japan.

Mr. Chamberlain sidestepped questions as to whether Great Britain intended to follow the course of the United States in denouncing the American-Japanese trade treaty by abrogating the 1911 Anglo-Japanese trade pact.

He said the matter would require careful consideration and that he

was not prepared to make a statement today.

"Consultations with the Dominion governments will be necessary," he added. "Broadly speaking, the aims of the British Government and the United States Government are similar, but the conditions are not exactly the same."

Philip Noel-Baker, Laborite, suggested that Great Britain had "far greater provocation than the Americans and should start immediate consultations with the Dominions with a view to action parallel to that of the United States."

Mr. Chamberlain replied: "We shall keep in touch with the Dominions."

Chamberlain Fears War Is Only Way Out

London, July 31 (A. P.).—Prime Minister Neville Chamberlain today painted a gloomy picture of the world situation but said he believed the vision of war horrors was sinking into the minds of rulers and people alike, and for this reason he hoped "we may yet find a way to escape from this nightmare."

Presenting the most comprehensive statement he had made on international questions in two months, the Prime Minister asserted:

"One must admit that the situation in which the accumulation of weapons of war is going on on so many sides and at such a pace is one which cannot but be regarded with anxiety."

"It is difficult to see what the solution of this problem can be unless it is to be resolved by war itself."

The elderly statesman expressed the belief, however, that if the campaign of "poisoned propaganda" could be halted and the confidence of the people restored "in the peaceful intentions of all statesmen in Europe," the world's problems might then be ironed out by peaceful discussion.

Speaking during foreign affairs debate in the House of Commons, he expressed concern over anti-British agitation in North China and said that if this continued it would be difficult to bring British-Japanese negotiations in Tokyo to a successful conclusion.

Chamberlain said his Government felt "no undue concern" over the Danzig situation but that it would require careful watching.

To Stick To Policy

The Prime Minister reaffirmed his previous statement that Britain would not reverse her policy in the Far East at the demand of another power and reiterated that Japan had made no such demand.

As to whether Britain would follow the lead of the United States and denounce her 1911 trade treaty with Japan, Chamberlain said:

"I believe the general objects and

aims of the United States and Britain are closely similar, but it does not follow that each of us must necessarily do exactly the same thing as the other."

"We may find that different methods are appropriate in different cases, but the House may rest assured that this Government places utmost importance upon collaboration where collaboration is possible and desired with the United States and that we never fail to keep that Government informed of all that we are doing or are about to do."

Eden Also Speaks

Anthony Eden, former Foreign Secretary, spoke after Chamberlain finished, describing the European situation as "difficult, anxious and menacing."

"There is no relaxation of tension nor can any of us expect such relaxation in the coming weeks," he declared. "No doubt we shall be lulled, soothed, threatened and provoked but in essence the Nazi purpose remains the same—to impose upon Poland this year the fate imposed on Czecho-Slovakia last year."

Eden praised Chamberlain's statement on the Far East and said "the British Government will receive support from every section of public opinion in this country if it finds it necessary to speak in plain terms to the Japanese Government."

Explains Stand On China

Chamberlain had told the House that Britain's recognition of Japan's "special interests" in China "did not denote a change in policy nor recognition of belligerent rights on the part of Japan, did not betray British interests in China and did not purport nor intend to purport surrender of any rights belonging to third parties."

"Plenty of difficulties" are standing in the way of the Tokyo negotiations on the British-Japanese dispute at Tientsin, where the British and French Concessions have been under a Japanese blockade since June 14, Chamberlain said.

"Not the least of these is the persistence of anti-British agitation in North China, carried on by people who are influenced, inspired and controlled by the Japanese," he declared.

Who's Who In Britain's Staff Talks

Admiral, Air Marshal

and General Are All Veterans

LONDON, July 31 (A. P.).—Thumbnail sketches of members of the British military mission to Moscow: Admiral Sir Reginald Plunkett-Erle-Drax is a veteran of forty-two years' naval service who participated under Admiral Lord Beatty in the World War battles of Helgoland, Dogger Bank and Jutland.

When the 1938 European crisis developed and the British navy was mobilized, termination of his three-year assignment was deferred for a month. He is a brother of Lord Dunsany, Irish author.

Air Marshal Sir Charles Burnett is a veteran of the Middle East World War service, later in charge of Britain's air training establishments.

Major General T. G. G. Heywood is a veteran British army gunnery expert. In 1927 he was surrounded by a Cantonese mob in China and was rescued as one assailant stood on the running board of his automobile with a poised sword.

HALIFAX REPORTS TO KING GEORGE

LONDON, July 31 (A. P.).—King George VI today received Foreign Secretary Lord Halifax, presumably to hear a report on the international situation prior to the royal family's departure for an eleven-week vacation at Balmoral Castle, Scotland.

REICH BARS PERMIT FOR BRITISH CONSUL

LONDON, July 31 (A. P.).—Foreign Undersecretary R. A. Butler told the House of Commons today that Germany had rejected a permit for a British Consul General in Prague because Britain declared she could not recognize legality of the method used to incorporate Bohemia and Moravia, former parts of Czecho-Slovakia, into the Reich. +45.13

CZECH U. S. SALES IN SHARP DECLINE

German Rule Shows Volume Only 1-7th What It Was

WASHINGTON, July 31 (A. P.).—Czecho-Slovakia, under German rule, is selling to the United States only about one-seventh as much goods as formerly.

J. H. Bruis, American Consul at Prague, has reported to the Commerce Department that in the second quarter of 1939 merchandise shipments from what was formerly Czecho-Slovakia to the United States amounted to \$812,287, compared with \$5,408,510 in the same months of last year.

Bruis attributed the decline primarily to the fact that goods of the area, since they are now legally German, must pay higher duties.

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CHAMBERLAIN SAID HIS GOVERNMENT FELT "NO UNDUE CONCERN" OVER THE DANZIG SITUATION BUT THAT IT WOULD REQUIRE CAREFUL WATCHING.

HE ANNOUNCED THAT BRITAIN AND FRANCE WOULD SEND A JOINT MILITARY MISSION--PROBABLY THIS WEEK--TO MOSCOW TO START STAFF TALKS WITH SOVIET RUSSIA IN THE HOPE THAT SUCH A MOVE WOULD HELP REMOVE DIFFICULTIES HOLDING UP THE PROPOSED BRITISH-FRENCH-SOVIET RUSSIAN MUTUAL ASSISTANCE PACT.

THE CHIEF OBSTACLE IN THE WAY OF AN AGREEMENT, HE EXPLAINED, WAS INABILITY OF THE THREE POWERS TO AGREE ON THE DEFINITION OF "INDIRECT AGGRESSION." HE ADDED, HOWEVER, THAT SOVIET PREMIER-FOREIGN COMMISSAR VYACHESLAFF MOLOTOFF HAD EXPRESSED THE BELIEF THEIR DIFFICULTIES WERE NOT "INSUPERABLE."

CONCERNING THE LONG-STALEMATED MOSCOW PACT NEGOTIATION, CHAMBERLAIN SAID IT WAS "NO SECRET" THAT BRITAIN, FRANCE AND RUSSIA HAD BEEN UNABLE TO HIT UPON A SATISFACTORY DEFINITION OF THE TERM "INDIRECT AGGRESSION."

HE SAID ALL THREE REALIZED THAT INDIRECT AGGRESSION MIGHT BE JUST AS DANGEROUS AS DIRECT AGGRESSION AND THAT ALL WERE DESIROUS OF FINDING A SATISFACTORY METHOD PROVIDING AGAINST IT.

HOWEVER, HE ADDED, THERE WAS A DESIRE ON ALL SIDES TO REFRAIN FROM APPEARING TO HAVE ANY INTENTION OF "ENCROACHING UPON THE INDEPENDENCE OF OTHER STATES."

CHAMBERLAIN EXPLAINED THE DECISION TO SEND THE BRITISH-FRENCH MILITARY MISSIONS TO MOSCOW WAS PROMPTED BY MOLOTOFF'S STATEMENT THAT THE START OF MILITARY CONVERSATIONS SHOULD HELP TO CLEAR THE ATMOSPHERE OF THE POLITICAL NEGOTIATIONS.

BOTH BRITAIN AND FRANCE OFFERED TO SIGN A PROVISIONAL AGREEMENT WITH RUSSIA AND WORK OUT DETAILS LATER BUT THIS FAILED TO STRIKE A

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RESPONSIVE CHORD IN MOSCOW, THE PRIME MINISTER DISCLOSED.

ADMIRAL SIR REGINALD PLUNKETT-ERNLE-ERLE-DRAX, VETERAN OF 42 YEARS NAVAL SERVICE; AIR MARSHAL SIR CHARLES BURNETT, WHO IS IN CHARGE OF BRITAIN'S AIR TRAINING ESTABLISHMENTS; AND MAJOR GENERAL T.G.G.HEYWOOD, ARMY GUNNERY EXPERT, WILL HEAD THE BRITISH MISSION.

THE FRENCH MISSION WILL BE HEADED BY GENERAL JOSEPH EDOUARD MERMENEC.

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TURNING TO A DISCUSSION OF THE UNITED STATES ACTION IN DENOUNCING THE AMERICAN-JAPANESE TRADE TREATY, CHAMBERLAIN ASSERTED:

"I BELIEVE THE GENERAL OBJECTS AND AIMS OF THE UNITED STATES AND BRITAIN ARE CLOSELY SIMILAR, BUT IT DOES NOT FOLLOW THAT EACH OF US MUST NECESSARILY DO EXACTLY THE SAME THING AS THE OTHER.

"WE MAY FIND THAT DIFFERENT METHODS ARE APPROPRIATE IN DIFFERENT CASES BUT THE HOUSE MAY REST ASSURED THAT THIS GOVERNMENT PLACES UTMOST IMPORTANCE UPON COLLABORATION WHERE COLLABORATION IS POSSIBLE AND DESIRED WITH THE UNITED STATES AND THAT WE NEVER FAIL TO KEEP THAT GOVERNMENT INFORMED OF ALL THAT WE ARE DOING OR ARE ABOUT TO DO."

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THIS STATEMENT FOLLOWED HIS COMMENT REGARDING THE BRITISH-FRENCH-SOVIET PACT NEGOTIATIONS.

BERLIN, JULY 31-(AP)-A GERMAN GOVERNMENT SPOKESMAN SAID TONIGHT OFFICIAL GERMANY LOOKED "WITH SERENE EQUANIMITY" ON PRIME MINISTER CHAMBERLAIN'S ANNOUNCEMENT THAT BRITISH AND FRENCH MILITARY MISSIONS WOULD BE SENT TO MOSCOW.

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HE RECALLED THAT THE RUSSIANS WERE EARLY IN THE NEGOTIATIONS FOR A TRI-

POWER MUTUAL ASSISTANCE PACT HAD SAID THEY WERE NOT INTERESTED
UNLESS POLITICAL DISCUSSIONS WERE ACCOMPANIED BY GENERAL STAFF TALKS.

(NAZIS PREVIOUSLY HAVE CRITICIZED MOVES IN THE MOSCOW NEGOTIATIONS,
CHARGING BRITAIN WITH PURSUING A POLICY OF "ENCIRCLEMENT" OF GERMANY.)

BERLIN--FIRST ADD NIGHT LEAD GERMAN XXX OF GERMANY).

THE AUTHORITATIVE DEUTSCHE DIENST DECLARED CHAMBERLAIN'S
CONFIRMATION OF SIMILARITY OF AIMS OF THE UNITED STATES AND GREAT
BRITAIN AGAINST JAPAN" IN THE FAR EAST SUPPORTED THE GERMAN VIEW
THAT WASHINGTON AND LONDON "WERE PLAYING BALL TOGETHER AGAINST
TOKYO."

"THERE ARE INNUMERABLE CASES IN HISTORY," IT CONTINUED, "ABOVE
ALL IN THE LAST DECADE, IN WHICH THE DOUBLE DEALING OF THE FOREIGN
DIPLOMACY LED TO DANGEROUS CONSEQUENCES FOR THE PEACE OF THE WORLD."

TO CHAMBERLAIN'S COMMENT ON DANZIG THE DEUTSCHE DIENST RESPONDED
SHARPLY: "WE WANT TO GUARANTEE HIM THAT GERMAN DANZIG WILL RETURN
TO THE REICH IN SPITE OF FOREIGN POLITICAL DEBATES IN THE LOWER HOUSE
WITH STAGEMANAGED QUESTIONS."

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John Bull Ignores War Scares

The Smiths, Browns and Joneses Are Going
on Vacations Like King and Queen.

LONDON, July 31 (A. P.).—Great Britain's John Citizen, taking a leaf from his King and Queen, went ahead today with his summer plans and left political bridges to be crossed when they are reached.

In the midst of intense efforts to bring Britain's armaments to unprecedented peacetime heights and talk of an international "danger period" in August or September, the Smiths, Browns and Joneses did their bit, arranged vacations and left the talking to others.

King George and Queen Elizabeth packed their bags for an eleven-

week vacation with Princesses Elizabeth and Margaret Rose at Balmoral Castle in Scotland. Today the King received a report on the international situation from Foreign Secretary Lord Halifax prior to his departure.

Many Men in the Service
Many British families
least one member in the

armed service, the auxiliaries of among reserves such as the 12,000 naval officers and men called up today to man 130 ships of the reserve fleet.

But the average home was unruffled. Instead of war talk there was keener interest, for instance, in the radio program of Gracie Fields, England's favorite musical comedy star, who has just recovered from a serious illness.

Despite the anxieties of many observers over the events of the next two months, the attitude of crowds on subways and buses—even of those whose brand new uniforms marked them as newly mustered territorials or conscripts—was to let the future take care of itself. The general attitude was: "War? We'll take care about that when it comes," or "we've got a navy and an air force haven't we? We've not got anything to worry about."

Naval Reserves Report.

The man in the street was not unusually concerned over debate in the House of Commons today on the international situation. And

Prime Minister Chamberlain's announcement of a military mission to Moscow to help speed British-French-Russian negotiations drew less interest than the Government's efforts to repress the terroristic tactics of the outlawed Irish Republican Army.

Neither was unusual public reaction provoked by dissatisfaction in official circles over British-Japanese talks in Tokio and reports that Great Britain might follow the example of the United States by denouncing her trade treaty with Japan.

Great Britain's reserve fleet—vessels withdrawn from active service for replacement by newer craft—will remain on emergency footing through August and September.

Retired officers, non-commissioned officers and seamen began reporting today to the three big naval bases—Portsmouth, Chatham and Devonport. With 2,000 reservists mobilized since last May, the roster of reservists on active duty will be swelled to 14,000.

British Air Ministry Gets Troop Transports

LONDON, July 31 (A. P.).—The Air Ministry disclosed today that it had taken delivery of large numbers of "Bombay Bombers" for aerial troop transports.

It said that the planes have a top speed of 189 miles an hour and a range of 2,500 miles when carrying bombs, crews of four and from twelve to twenty soldiers each.

BRITAIN'S POWERFUL HOME FLEET SAILED YESTERDAY FOR A CRUISE
PREPARATORY TO MANEUVERS WITH THE RESERVE FLEET LATE IN AUGUST--
AT A TIME WHEN GERMANY WILL BE STAGING BIG AIR AND ARMY EXERCISES
AND ITALY WILL BE HOLDING FLEET AND AIR FORCE MANEUVERS.
SATURDAY THE ROYAL AIR FORCE WILL BEGIN MANEUVERS TO INCLUDE A
BLACKOUT OF LONDON. OTHER OF BRITAIN'S SERVICES ARE BRINGING THEIR
TRAINING TO A PEAK.

SCOTLAND YARD DRAFTED A STRONG POLICE GUARD TO PROTECT THE KING
AND QUEEN FROM ANY POSSIBLE IRA TERRORISM ON THE NINE-HOUR TRAIN
TRIP TO SCOTLAND AND, AS AN EXTRA PRECAUTION, PALACE OFFICIALS
DECLINED TO DISCLOSE THE HOUR WHEN THEY WILL ENTRAIN TONIGHT.
A SCOTSWOMAN HERSELF, QUEEN ELIZABETH ALWAYS LOOKS FORWARD TO HER
ANNUAL TRIP TO BALMORAL AS "GOING HOME." AFTER THEIR BUSIEST SUMMER
SINCE THEIR CORONATION IN 1937, THE GO-AS-YOU-PLEASE ATMOSPHERE OF
BALMORAL WILL OFFER THE KING AND QUEEN A REST.
BESIDES THE HOUSE OF COMMONS CONCERN OVER THE FOREIGN SITUATION

1939

AND PRIME MINISTER CHAMBERLAIN'S EXPECTED STATEMENT, THE WEEK'S POLITICAL CALENDAR INCLUDED FOREIGN AFFAIRS DEBATE IN THE HOUSE OF LORDS STARTING TOMORROW AND A GOVERNMENT ANNOUNCEMENT WEDNESDAY OF THE DATE FOR PARLIAMENT'S REASSEMBLY AFTER THE RECESS.

R452AED

LONDON, JULY 31-(AP)-TWELVE THOUSAND NAVAL RESERVES POURED INTO DEVONPORT, PORTSMOUTH AND CHATHAM TODAY TO MAN 133 SHIPS OF THE RESERVE FLEET AND REINFORCE THE REGULAR UNITS OF GREAT BRITAIN'S NAVY.

BY NIGHTFALL THE WORK OF FUELLING AND EQUIPPING THE CRUISERS, DESTROYERS AND PATROL CRAFT WAS UNDER WAY. IN A FEW DAYS THE RESERVE FLEET WILL START FOR WEYMOUTH BAY, WHERE IT WILL ASSEMBLE FOR INSPECTION BY KING GEORGE AUGUST 9.

THE HUGE MOBILIZATION OF SEA POWER WILL NOT END WITH THE REVIEW. AFTER THAT THE RESERVE FLEET IS TO EXERCISE WITH REGULAR MEN OF WAR OF THE HOME FLEET AND REMAIN ON "EMERGENCY FOOTING" THROUGH AUGUST AND MOST OF SEPTEMBER.

BRITAIN, WHICH MADE A TREMENDOUS FUSS OVER CALLING UP 30,000 CONSCRIPTS A FEW DAYS AGO, TOOK THE TURNOUT OF NAVAL RESERVES IN STRIDE. THE RESERVISTS FILTERED OUT OF LONDON BY TWOS AND THREES FOR THEIR STATIONS.

EACH MAN WAS GIVEN A CUP OF TEA, A BUN AND FIVE QUID (\$23.40.)

STILL NOT EVERYONE WAS HAPPY. ONE RESERVIST ADMITTED "I'M NO GLUTTON, I'VE HAD ENOUGH OF THE NAVY ALREADY."

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LONDON, JULY 31-(AP)-LONDON'S BALLOON BARRAGE BACKFIRED TODAY WITH A LOUD "POUFF" WHEN ONE OF THE HUGE SAUSAGES DEFLATED AND DROPPED INTO A SUBURBAN BACKYARD AND ANOTHER WAS DESTROYED BY LIGHTNING. THE HOUSEWIFE BEHIND WHOSE HOME THE ONE BALLOON DROPPED ENDEARED

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HERSELF TO ALL LOVERS OF UNDERSTATEMENT BY REMARKING:

"I WAS QUITE SURPRISED TO SEE A BALLOON IN MY BACKYARD."

NINE OF THE CAPTIVE BALLOONS, WHICH ARE ATTACHED TO CABLES AND RING THE CITY AS A TRAP FOR RAIDING AIRCRAFT IN CASE OF WAR, HAVE BEEN DESTROYED BY LIGHTNING AND OTHER CAUSES SINCE THE IDEA FIRST WAS PUT INTO OPERATION.

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TARANTO, ITALY, JULY 31-(AP)-OFFICIALS SAID TONIGHT THAT WEEK-LONG NAVAL MANEUVERS IN WHICH "ALMOST THE ENTIRE FLEET" AND A LARGE PART OF THE AIR FORCE PARTICIPATED HAD SHOWN A HIGH DEGREE OF COORDINATION BETWEEN THE TWO FORCES.

A COMMUNIQUE SAID WARSHIPS, SUBMARINES AND FIGHTING PLANES DEMONSTRATED "EXTREMELY CLOSE COORDINATION" IN EXERCISES OFF SARDINIA, SICILY, IN THE AEGEAN SEA AND ALONG THE NORTH COAST OF AFRICA. GERMAN AND SPANISH OBSERVERS WATCHED THE GAMES.

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NAZIS STRIKE BACK IN BATTLE OF MAILS

Paris Gets Batch Of "Polish Menace" Letters, Viewed As Sequel To England's

[By the Associated Press]

Paris, July 31—Europe's propaganda "battle of the mails" took a new turn today when a number of French professional men turned over to police letters they had received from Germany describing a "Polish menace" in the issue over Danzig.

Some Frenchmen regarded the pamphlets, which were mailed from Cologne, Germany, as a sequel to letters from England earlier this month which were sent to Germans over the signature of Stephen King-Hall. German Propaganda Minister Paul Joseph Goebbels charged they were inspired by the British Foreign Office.

Pamphlets Bear Fuchs' Name
The pamphlets received here bore the name of Karl Hans Fuchs, described as the press chief of the Free City Senate.
Authorities asked that the letters

be turned in to police to help gauge the extent of what was regarded by many as a Nazi propaganda drive.

Counter-espionage agents and police have been busy investigating Nazi channels in France and only yesterday France enacted law the strictest anti-espionage measure in the peacetime history of the third republic.

PRAVDA DERIDES 'COWARD' NATIONS

Assails Isolationists and Urges Organization of Real Peace Front

MOSCOW, July 31 (AP)—The Communist Party newspaper Pravda today declared the Soviet Union ready to help organize "a real peace front" but expressed scorn for "the cowardice of bourgeois isolationists." "The Soviet Union is watching calmly the criminal game of Fascist incendiaries of war," said a Pravda editorial. "This calmness has nothing in common with the cowardice of bourgeois isolationists trying to hide themselves behind shrubbery from the danger of war."

"The Soviet people know an attack of Fascist aggressors could be halted by an effective front of peace-loving countries and is ready to take part in organization of a real peace front."

Indirect Aggression Issue

(British - French - Soviet negotiations for a mutual assistance treaty still are in progress with the main snag reported to be agreement on defining the term "indirect aggression" in relation to a three-power guarantee of Latvia, Estonia and Finland.

(Moscow wants the little nations on her western frontier guaranteed against "direct or indirect aggression.")

Another article in Pravda today stressed the policy "for close good-neighborly relations with all countries with a common border with the U. S. S. R." providing that those countries "do not try directly or indirectly to violate the integrity and inviolability of Soviet borders."

Insult To Nazi Army Puts Czech In Prison

Former Lieutenant Draws Six Months' Term For Incident At Pilsen

Prague, July 31 (A.P.)—A former lieutenant in the Czech army was sentenced to six months' imprisonment today for publicly insulting the German army. The incident occurred at Pilsen.

Several similar cases have been heard recently by the military court of the protectorate of Bohemia and Moravia.

Czech sources heard reports that Gen. Karl Hrabcik would be placed in charge of a Czech Government army of 7,000 men to preserve order in the protectorate.

The protectorate issued a decree today making work obligatory for all unemployed, in an effort to overcome a shortage of farmhands.

Ukrainians Reported Arrested In Poland

Number Accused Of Subversion And "Remaining In Contact With Berlin"

Warsaw, July 31 (A.P.)—Reliable reports said tonight an undetermined number of Ukrainians had been arrested at such cities as Lwow and Przenys and charged with "activities harmful to the Polish state in cooperation with foreign factors."

Those arrested were described as members of the illegal O. U. N., an organization of Ukrainian nationalists. The Polish Government was said to have evidence that some members "remain in contact with Berlin."

The arrests indicated Poland is keeping a careful watch for any signs of subversive activity among approximately 5,000,000 Ukrainians who constitute her largest minority. Two prominent Ukrainian leaders were reported among those in custody.

NAZIS IN POLAND TOLD TO DISARM

Even Hunting Guns Must Be Turned In Near Border.

WARSAW, July 31 (A.P.)—Germans in the district of Wabrzezno in Pomerania province have been ordered to surrender all arms, including hunting guns, it was reported today, under penalty of fines or imprisonment.

Two German societies in the district, forty miles south of the East Prussia frontier, were reported ordered disbanded after the discovery of meetings held in a forest. Several members of the societies were arrested.

Meanwhile, a new presidential decree issued here gives the Government authority, when necessary for the defense of the State, to direct that a military court handle action involving soldiers. The decree apparently created no additional facilities for trial of civilians.

Another decree authorized the army to requisition any transport facility, including animals and bicycles, in the event of any emergency.

BRITISH STAFF OFF TO RUSSIA BY TOMORROW

To Reach Paris Then for a Preliminary Talk With French.

MOSCOW SILENT ON VISIT

Chamberlain Cabinet to Stay on Call During Coming 'Danger Period.'

PARIS, Aug. 1 (A.P.)—The British military mission to Moscow was expected to reach Paris tomorrow for preliminary strategy talks with members of a similar French mission before both groups go to Russia later this week.

Three-Power military staff talks were arranged to parallel diplomatic negotiations looking toward a mutual assistance pact.

Gen. Joseph Edouard Doumoro, commander of the Lille region and member of the Superior War Council, will head the French mission.

Soviet Press Ignores Visit.

MOSCOW, Aug. 1 (A.P.)—Russian newspapers made no reference today to Prime Minister Chamberlain's announcement in London yesterday that British and French military missions were coming to Moscow. Soviet broadcasts also ignored the announcement.

BRITISH CABINET MEN STAYING WITHIN CALL

[By the Associated Press]

London, Aug. 1—The Cabinet will remain within easy call of Prime Minister Chamberlain during Parliament's recess over the August-September "danger period."

"Herring And Margarine" War Renewed, Danzig Warns She'll End Pact Giving Poland Control

[By the Associated Press]

Danzig, Aug. 1—A revival of "the herring and margarine war" brought threats from Danzig Nazis today that further Polish measures against Danzig trade would compel Danzig to ignore treaty provisions placing the Free City within the Polish customs administration.

The conflict became bitter after Polish custom officials moved to halt shipment of the products of one Danzig margarine firm into Poland, charging violation of recent customs arrangements.

Informed Nazis, whose party dominates the Danzig government, said this and previous Polish restrictions on the margarine and herring trade would deprive Danzig of about \$5,000,000 worth of business a year.

"More Propaganda," Warsaw's Comment

It was emphasized that the withdrawal of Polish customs officers from the Danzig margarine concern Amada-Unida, indicating that no approval would be given for exports of its product to Poland, came without formal notice to the Danzig Senate.

[In Warsaw Polish official circles said sales of Danzig margarine and herring had been subjected to customs control because the manufacturers and shippers had failed to comply with an understanding that they would permit inspection of their products.

[The Danzig reaction to this situation was termed "another phase of German propaganda."

[A Polish informant said the Amada-Unida firm had refused to let Polish customs men inspect its manufacturing methods and ascertain whether the margarine actually was produced in Danzig or outside.]

Danzig Nazis Again Allege Spying

Nazi leaders used the occasion to revive their old complaint that Poland had sent to the frontier unnecessarily large forces of customs guards whose real task was espionage for the Polish War Ministry.

The Danziger Vorposten, Nazi organ, declared that if such disturbances of trade continue and if the number of Polish frontier guards is not reduced "the Free State will direct its trade to the German market without regard for the former customs frontier now broken by Poland."

Taking their cue from Chamberlain's dark but still hopeful view of the international picture, most of the Ministers will spend their vacations at nearby country homes or take only short trips.

To Reconvene October 3

Britain's negotiations with Japan and Russia are expected to keep both Chamberlain and Foreign Secretary

Halifax close to their offices after the recess that is to begin Friday.

The Government motion for the recess, which will be debated tomorrow, fixed October 3 for reassembling. The Speaker would be empowered to re-

convene the House before that date if the Government so requested.

Chamberlain had made no vacation plans. Halifax said he would visit his country place "whenever circumstances permit."

Warning To Hitler Seen

Supply Minister Leslie Burgin expects to be busy inspecting industrial works until early in October. Air Secretary Sir Kingsley Wood and War Secretary Leslie Hore-Belisha also said they were "staying in England." Health Minister Walter Elliot will visit Cap d'Antibes, France, but will return August 16.

Many observers regard Chamberlain's discussion of the international situation in the House of Commons yesterday as another warning to Adolf Hitler coupled with a hint that the way to negotiation still lies open.

Recalls Previous Peace Bid

Chamberlain's assertion that if the war of "poisonous propaganda" could be halted the world's problems might be solved peaceably recalled his July 10 speech pledging support to Poland, but adding, "it may be that in a clearer atmosphere" improvements in the Danzig situation could be discussed.

His gloomy observation that it was difficult to see a solution of the world arms race unless "by war itself," was felt to emphasize Britain's intent to fight if need be.

BRITAIN TAKES NEW EMERGENCY DEFENSE STEPS

Arranges Wartime Food Storage And Rationing Of Oil And Gasoline

Acts To Assure Parliament

Stays In Session In Event Of Conflict

[By the Associated Press]

London, Aug. 1—Britain disclosed new strides toward readiness for any emergency today as Parliament approached its summer recess.

The new plans and accomplishments included:

Disclosure that the Government had completed a comprehensive scheme for rationing oil and gasoline during wartime.

Introduction of a food-defense bill to create a food ministry and to finance storage and transport of foods.

Announcement that a nucleus of a merchant reserve fleet soon would be formed by purchase of six vessels for which the Government has completed negotiations.

Disclosure that plans have been made to assure that Parliament will be able to remain in session during wartime.

Announcement that the Government had placed contracts for 2,500,000 bomb shelters to be distributed free to families unable to buy them.

Price Put At \$36.60

Sir John Anderson, Lord Privy Seal, told the House of Commons that a weekly production of 55,000 shelters was expected by September, and that 5,000 a week would be offered for sale at about \$36.60 delivered.

The new plan for rationing and fixing prices for oil and gasoline was announced by Geoffrey Lloyd, Secretary of Mines, who recently made public a similar plan for regulating the distribution of coal, electricity and gas in the event of war.

A British military mission prepared to leave tomorrow for staff talks with French and Russian army officers in Moscow and while the foreign situation held Government attention.

The Foreign Affairs Committee of the Cabinet reviewed latest reports on the long negotiations in Moscow for a British-French-Soviet Russian mutual assistance accord and also discussed the Far Eastern situation.

Cabinet To Meet

The full Cabinet will meet tomorrow for the last time before the scheduled adjournment of Parliament Friday. Informed sources said instructions would be sent to Sir Robert Leslie Craigie, British Ambassador in Tokyo, on Japan's demands for withdrawal of British support from China's national currency.

In response to a question in the House of Commons, Sir John Simon, Chancellor of the Exchequer, declared that "the formula agreed on

in Tokyo (as a basis for settling the Tientsin episode) does not imply any change of view of his Majesty's Government as to the desirability of retaining stability of the Chinese currency in the interests of this country and other countries which have important financial and trade interests in China."

Debate Scheduled

A Government motion prescribing the length of Parliament's recess gives October 3 as the date for reassembling. The measure will be debated tomorrow when the opposition will offer an amendment to provide for a brief meeting at the end of August.

The present indication is that Parliament will have about one month's work starting October 3 and then will adjourn to prepare for a general election in November. Dates being mentioned for the election are November 16 and November 23.

There will be debate on foreign affairs in the House of Lords Thursday and another in the House of Commons Friday.

Prime Minister Neville Chamberlain himself disclosed that arrangements had been made to assure that Parliament would be able to meet during a war, but he gave no details of the plan. His statement was in answer to a question by Geoffrey L. Mander, opposition Liberal.

New Warning To Hitler

The Prime Minister's speech to the House of Commons yesterday, which was widely regarded as a new warning to Adolf Hitler and as a reaffirmation of Britain's determination to fight to fulfill her pledges, generally was well received.

Typical of the opposition press was this comment in the Liberal London Star:

"On the main issue . . . that of peace or war, his critics are at one with Mr. Chamberlain's declarations of policy. The only question once again is how closely he will stick to them."

"Our present policy of arming ourselves and banding together in a peace front with other free nations strongly armed has been forced on us by the dictators. That they have not yet seen the red light seems clear from the war of words which Mr. Chamberlain

so much deplored. The country wants him to be firm until they do."